



# CUBEX TUBINGS LIMITED

(AN ISO 9001:2008 CERTIFIED COMPANY)

CIN: L27109TG1979PLC002504



06<sup>th</sup> June 2020

The General Manager, DCS –  
CRD BSE Limited  
Corporate Relationship  
Department 1st Floor, New  
Trading Ring Rotunda Building,  
P J Towers Dalal Street, Fort,  
MUMBAI - 400 001  
Scrip Code: 56027

The General Manager, DCS – CRD  
National Stock Exchange of India  
Ltd Exchange Plaza,  
Bandra-Kurla  
Complex, Bandra  
(East), MUMBAI -  
400 051  
Symbol: CUBEXTUB

Dear Sirs,

**Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Disclosure relating to impact of CoVID-19 pandemic on the Company**

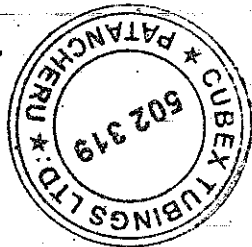
Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20<sup>th</sup> May 2020 and an update relating to the impact of the COVID-19 pandemic and the resultant lockdown, on the operations of the Company and the current status is attached.

This is for your information and records.

Thank you,

Yours truly,  
For CUBEX TUBINGS LIMITED

  
P.R. BHANDRI  
Managing Director



Encl. As stated

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## COVID-19 Pandemic Situation- Update on Operations

### **A. Impact on the business**

The lockdowns and restrictions imposed on various activities due to COVID – 19 pandemic have posed challenges to the business of **CUBEX TUBINGS LIMITED**.

The Company's operations were hit substantially from 17<sup>th</sup> March 2020 till the 1<sup>st</sup> week of May 2020. Registered office and manufacturing facilities were fully shut during the period and the Company was unable produce and make sales.

### **B. Ability to maintain operations including the factories/units/office spaces functioning and closed down**

As stated earlier, Registered office and manufacturing facilities were shut down entirely during the lockdown phase as for the government orders. The company could not adopt the work from home policy during the entire duration of lockdown, since the company is purely a manufacturing unit.

### **C. Schedule, if any, for restarting the operations and steps taken to ensure smooth functioning of operations**

With the lifting of the lockdown restrictions, the Company has started re-opening of its Manufacturing unit located in Patancheru, Sangareddy District, and registered office located in secunderabad in the non-containment zones on 06<sup>th</sup> may 2020 with limited staff after establishing thorough and well-rehearsed safety protocols. These protocols include encouraging customers and Visitors to take appointment before a visit to the corporate office, sanitizing hands before and after every entry by customers, allowing limited number of persons inside the corporate office basis on the office size, thermal screening, compulsory use of face masks, rotation of corporate staff & workers etc.

The company has started production at 50% of the installed capacities. In the short term, it is therefore expected that manufacturing activity will be well below the normal. Manning at all facilities is also well below allowed norms and may remain so till Production requirements go up to normal levels.

#### **D. Estimation of the future impact of CoVID-19 on its operations**

The Company is predominantly dependent on local sales. The sales in local are being opened up at around 50% of the sales in a normal period and is improving gradually. These are early days and the Company is not in a position to gauge with certainty the future impact on operations but expects normalcy to be achieved only after a quarter.

The drop in sales is also expected to impact on company profitability in the near term and hence company roll outs will be calibrated in the immediate future till more clarity emerges.

#### **E. Impact of COVID-19 on capital and financial resources, profitability, liquidity position, ability to service debt, assets and internal financial reporting and control**

The company is approaching bankers to seek their financial support to meet the expenditure for improvement of manufacturing activities. The strong balance sheet of the Company is expected to be a key differentiator in the market place. This enables the Company to approach bankers for financial assistance during this crisis.

Even before COVID-19, the Company embarked upon a Company-wide initiative to bring down costs and conserve cash. This Programme is well under way and the Company is expected to get benefits as a consequence of these initiatives in future.

In last 2 months, the Company's operating cash flow was negative due to virtually zero sales during the first 6 weeks of lockdown, increase in mark-to-market cash outflow on raising of Production cost and other committed costs being incurred. However, these mark-to-market cash outflow is expected to be recovered when sale of Copper products demand commences. Thus, the COVID-19 situation is expected to adversely affect the profitability during the first half of this year.

The Company does not see incremental risk to recoverability of assets (Inventories & Receivables, etc.) given the measures being taken to mitigate the risks. There is also no impact on internal financial controls due to the COVID-19 situation.

#### **F. Impact of COVID-19 on supply chain**

There is maximum disruption in the supply chain as most of the manufactures have restarted their production and are ready to provide required supplies. Raw material Supplies from local have commenced.

Manufacturing facilities are ready for production and will enhance production depending on the demand and the inventory being liquidated.

**G. Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business**

The Company is not well positioned to fulfill its obligations and also foresee any significant impact on the business due to non-fulfilment of the obligations by any party. Because of the poor inflow of cash during the lockdown period.

**H. Other relevant material updates about the listed entity's Business**

During the last couple of months, due to lockdown, the operations of **Cubex Tubings Limited** was impacted adversely. However, since small local sales were made, it is expected that these sales will help in the cash flows and minor profitability of the company.

**Cubex Tubings Limited** has impacted much due to lockdown. Now it is able to carry out its operations. The plant has commenced operations from 06<sup>th</sup> May onwards in a staggered manner with minimum manpower and has been able to service customers with finished goods stock so far.

**Aatma Nirbhar Bharat Abhiyan Package for COVID-19** to revive the industrial sector. The details about the package were announced by the Finance Minister wherein the local manufacturing companies will be preferred suppliers for tenders issued Government department up to 200 Cores. Since we are already registered varies Govt. departments like Railways, Shipbuilders, Power generation, offshore sector, Defense extra, we well positioned to garner sizable market.

The definition of MSME has been changed of MSME with effect from 01.07.2020 our company will be qualifying as a MSME unit. The advantages of MSME will be accrued.

Annual Audited Accounts – FY 20

Generally, the Company publishes its annual audited accounts by fourth week of May of each year. However, due to the current situation, it is expected that the Board meeting to adopt the accounts is planned to be held in 04<sup>th</sup> week of June.

For **CUBEX TUBINGS LIMITED**

  
**P.R. BHANDARI**  
Managing Director

