



**CUBEX TUBINGS LIMITED**



**40th Annual Report  
2018-19**





**BOARD OF DIRECTORS**

Mr. P.R.Bhandari	:	Managing Director	(DIN: 00062271)
Mr. Virendra Bhandari	:	Executive Director	(DIN: 00062228)
Ms. Veena Bhandari	:	Director - Admin	(DIN: 03570489)
Mr. Sandeep Kumar	:	Independent Director	(DIN: 05192591)
#Mr. Dipen Sajjan Sanghvi	:	Independent Director	(DIN: 08476459)
#Mr. Vipul Kumar Jain	:	Independent Director	(DIN: 08476476)
*Dr. Trilok Singh	:	Independent Director	(DIN: 06469426)
*Mr. Mahendra Kumar Ranka	:	Independent Director	(DIN: 01268256)

# Appointed w.e.f 11<sup>th</sup> June 2019

\* Resigned w.e.f 18<sup>th</sup> April 2019

**CHIEF FINANCIAL OFFICER**

Mr. Siva Prasad Sarva

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. Ankit Choudhary

(Appointed w.e.f 6<sup>th</sup> October 2018 & Resigned w.e.f 27<sup>th</sup> May 2019)

Corporate Identification Number : **L27109TG1979PLC002504**

**BANKERS-**

Axis Bank Limited  
State Bank of India

**AUDITORS**

M/s. P C N & Associates., (FRN: 016016S),  
(formerly M/s. Chandra Babu Naidu & Co.,)  
Chartered Accountants  
Plot No. 12, "N" Heights, Ground Floor,  
Software Layout Unit,  
Cyberabad, Hyderabad - 500 081.

**SOLICITORS**

Mr. M.V.S. Prasad

**REGISTERED OFFICE**

1-7-27 to 34, Shyam Towers,  
S.D.Road, Secunderabad - 500 003.  
Telangana, 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**

Near 5th Phase, S.NO.464, 482  
Pathancheru, Telangana.

**SHARE TRANSFER AGENTS**

M/S. Aarathi 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**

BSE Limited, Mumbai  
The National Stock Exchange of India Limited, Mumbai

**NOTICE**

NOTICE is hereby given that the 40<sup>th</sup> Annual General Meeting of the Members of the Company will be held on **Saturday, the 28<sup>th</sup> September, 2019 at 10.30 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 Financial Statements of the Company for the year ended 31<sup>st</sup> March 2019 including the Audited Balance Sheet and Statement of Profit & Loss for the year ended on that date and Reports of Directors and Auditors thereon for the said year.
2. To appoint a Director in place of Mr. Virendra Bhandari (DIN: 00062228) who retires by rotation and being eligible offers him-self for reappointment.

**SPECIAL BUSINESS:**

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

**Appointment of Mr. Dipen Sajjan Sanghvi (DIN: 08476459), as Director of the Company**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, **Mr. Dipen Sajjan Sanghvi (DIN: 08476459)**, who was appointed by the Board of Directors as an Additional Director of the Company w.e.f 11<sup>th</sup> June 2019 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company".

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 modifications, the following resolution as Special Resolution:**

**Appointment of Mr. Vipul Kumar Jain (DIN: 08476476), as Director of the Company**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, **Mr. Vipul Kumar Jain (DIN: 08476476)**, who was appointed by the Board of Directors as an Additional Director of the Company w.e.f 11<sup>th</sup> June 2019 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company".

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 modifications, the following resolution as Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, **Mr. Dipen Sajjan Sanghvi (DIN: 08476459)**, a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 11<sup>th</sup> June 2019 for a period of Five Years."

6. **To consider and if thought fit, to pass, with or without modifications, the following resolution as Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, **Mr. Vipul Kumar Jain (DIN: 08476476)**, a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 11<sup>th</sup> June 2019 for a period of Five Years."

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

PLACE: HYDERABAD  
DATE: 13.08.2019

**P.R.BHANDARI**  
MANAGING DIRECTOR

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 23<sup>rd</sup> September 2019 to Saturday 28<sup>th</sup> September 2019 (both days inclusive). The book closure dates have been fixed in consultation with the Stock Exchanges.
4. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company can now register the same by submitting a duly filled in 'E-Communication Registration Form', available on the website of the Share Transfer Agent of the Company [www.aarthiconsultants.com](http://www.aarthiconsultants.com), to M/s. Aarthi Consultancy Private Limited. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
5. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
6. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 21<sup>st</sup> September 2019 are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the despatch of the Annual Report and before the book closure may approach the Share Transfer Agent of the Company for issuance of the User ID and Password for exercising their right to vote by electronic means. The e-voting period will commence at 10.00 a.m. on Wednesday, 25<sup>th</sup> September 2019 and will end at 5.00 p.m. on Friday, 27<sup>th</sup> September 2019. The Company has appointed Ms. Sarada Putcha, Practising Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.
7. **The instructions for shareholders voting electronically are as under:**
  - (i) The voting period begins on Wednesday, 25<sup>th</sup> September 2019 at 10.00 A.M. and ends on Friday, 27<sup>th</sup> September 2019 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21<sup>st</sup> September 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iii) Click on Shareholders.
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.



- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

PAN	For Members holding shares in Demat Form and Physical Form Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)- <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.-</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.- <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for CUBEX TUBINGS LTD on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.



- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xx) The e-voting module shall be disabled by CDSL after 5.00 p.m. on Friday, 27<sup>th</sup> September 2019.
- (xxi) The results shall be declared on or before 3<sup>rd</sup> October 2019. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.
8. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Aarathi Consultants Private Limited / Investor Service Department of the Company immediately.
  9. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Aarathi Consultants Private Limited / Investor Service Department of the Company.
  10. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.
  11. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.

**Additional information to be furnished as required under SEBI (LODR) Regulations 2015****Brief Details of Directors seeking re-appointment at this Annual General Meeting**

<b>Name of the Director</b>	Sri. Virendra Bhandari
<b>Date of Appointment (first appointment)</b>	12 <sup>th</sup> January 2012
<b>Date of Birth/Age</b>	47 Years
<b>Expertise in Specific functional areas</b>	Business Activities
<b>List of other Public Companies in which Directorships held as on 31.03.2019.</b>	1
<b>Chairman/Member of the Committees of other Companies in which he is a Director as on 31.03.2019.</b>	Nil
<b>Name of the Director</b>	Sri. Dipen Sajjan Sanghvi
<b>Date of Appointment (first appointment)</b>	11th June 2019
<b>Date of Birth/Age</b>	25 Years
<b>Expertise in Specific functional areas</b>	Business Activities
<b>List of other Public Companies in which Directorships held as on 31.03.2019.</b>	Nil
<b>Chairman/Member of the Committees of other Companies in which he is a Director as on 31.03.2019.</b>	Nil
<b>Name of the Director</b>	Sri. Vipul Kumar Jain
<b>Date of Appointment (first appointment)</b>	11th June 2019
<b>Date of Birth/Age</b>	25 Years
<b>Expertise in Specific functional areas</b>	Business Activities
<b>List of other Public Companies in which Directorships held as on 31.03.2019.</b>	Nil
<b>Chairman/Member of the Committees of other Companies in which he is a Director as on 31.03.2019.</b>	Nil



**Explanatory Statement**

[Pursuant to Section 102 of the Companies Act, 2013]

**Item No. 3 & 5 :****Appointment of Sri. Dipen Sajjan Sanghvi (DIN: 08476459), as Independent Director of the Company**

Pursuant to the provisions of Sections 149, 152 of the Companies Act, 2013 ("Act") Mr. Dipen Sajjan Sanghvi (DIN: 08476459), was appointed by the Board of Directors as an Additional Director of the Company w.e.f 11th June 2019 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director of the Company.

Notices have been received from Members proposing candidature of the above Directors for the office of Independent Director of the Company. In the opinion of the Board, he fulfil the conditions specified in the Companies Act, 2013 and the Rules made thereunder for appointment as Independent Directors of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day.

Hence, the above resolution at item no.3 & 5 are submitted to the meeting for the approval by the members of the Company.

The Board of Directors re-commends the above resolutions at item no.3 & 5 for the members' approval in the Annual General Meeting

None of the Directors and Key Managerial Persons of the Company is concerned or interested in this resolution.

**Item No. 4 & 6 :****Appointment of Sri. Vipul Kumar Jain (DIN: 08476476), as Independent Director of the Company**

Pursuant to the provisions of Sections 149, 152 of the Companies Act, 2013 ("Act") Mr. Vipul Kumar Jain (DIN: 08476476), was appointed by the Board of Directors as an Additional Director of the Company w.e.f 11th June 2019 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director of the Company.

Notices have been received from Members proposing candidature of the above Directors for the office of Independent Director of the Company. In the opinion of the Board, he fulfil the conditions specified in the Companies Act, 2013 and the Rules made thereunder for appointment as Independent Directors of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day.

Hence, the above resolution at item no.4 & 6 are submitted to the meeting for the approval by the members of the Company.

The Board of Directors re-commends the above resolutions at item no.4 & 6 for the members' approval in the Annual General Meeting

None of the Directors and Key Managerial Persons of the Company is concerned or interested in this resolution.

**DIRECTORS' REPORT**

To

The members of

**M/s. CUBEX TUBINGS LIMITED**

The directors have pleasure in presenting the 40<sup>th</sup> Annual Report of the Company together with the audited accounts for the year ended 31<sup>st</sup> March 2019.

**FINANCIAL RESULTS**

(in Lakhs)

	Year ended 31.03.2019	Year ended 31.03.2018
<b>Income from operations</b>	<b>7485.30</b>	<b>5095.86</b>
<b>Other Income</b>	<b>199.28</b>	<b>248.97</b>
<b>Total Expenditure</b>	<b>7429.36</b>	<b>5124.16</b>
<b>Interest &amp; Bank Charges</b>	<b>50.35</b>	<b>31.11</b>
<b>Depreciation &amp; Amortization of Exp.</b>	<b>134.95</b>	<b>140.80</b>
<b>Provision for Tax</b>	<b>4.05</b>	<b>10.46</b>
<b>Net Profit</b>	<b>65.87</b>	<b>38.29</b>

**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, Electrical Equipment industries and Ship building Company.

**OPERATIONS**

Your company has registered a total income of **Rs. 7684.58 lakhs** for 2018-19 as compared to **Rs. 5344.83 lakhs** for 2017-18 and the company posted a net profit of **Rs. 65.87 lakhs** for 2018-19 as compared to **Rs. 38.29 lakhs** for 2017-18.

**DIVIDEND**

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

**BUSINESS RISK MANAGEMENT**

The Company, like any other enterprise, is exposed to business risk which can be internal risks as well as external risks. The threats to the segments in which the company operates are volatility in Exchange rate & Metal Prices. The company is concerned about the wide Fluctuations in Copper prices globally and locally and increase in foreign exchange value.

**DEPOSITS**

The Company has not accepted deposits covered under Chapter V of the Companies Act, 2013 and accordingly, the disclosure requirements stipulated under the said Chapter are not applicable.

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

During the year under review, the company has not given any loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013



**CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, except the remuneration to managerial personnel, there is no other related party transactions to be disclosed.

**EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith elsewhere in the Annual Report.

**DEMAT SUSPENSE ACCOUNT UNCLAIMED SHARES**

As on 31<sup>st</sup> March 2019, 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 the provision of SEBI (LODR) Regulations 2015. 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.

**ADDITIONAL INFORMATION AS REQUIRED U/ S 134(3)(m) OF THE COMPANIES ACT, 2013****(a) Conservation of Energy:**

The Company is monitoring the consumption of energy and is identifying measures for conservation of energy.

- (i) the steps taken by the company for utilising alternate sources of energy -Nil
- (ii) the capital investment on energy conservation equipments - Nil

**(b) (i) Technology Absorption, adaptation and innovation:-** Indigenous Technology is involved for the manufacturing the products of the Company.

- (ii) Research and Development (R & D): No research and Development has been carried out.

**PARTICULARS OF EMPLOYEES**

The Directors are to report that none of the employee was in receipt of remuneration exceeding the limit prescribed under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014

**STATUTORY AUDITORS**

The provisions of Section 139(2) of the Companies Act 2013 and the Rules made there-under, mandated the Company to rotate its Statutory Auditors and Board of Directors of the Company (on recommendation of Audit Committee) in its meeting held on 1st September 2017, has, (which was ratified by the shareholders in the Annual General meeting to held on 29th September 2017), approved the appointment of M/s. P C N & Associates., (FRN: 016016S), (formerly M/s. Chandra Babu Naidu & Co.), Chartered Accountants, as the Statutory Auditors of the Company for a period of Five Years.

**BOARD AND COMMITTEES PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations 2015, the Board has carried out an annual performance, the directors individually as well as the evaluation of the working of its Audit and Nomination & Remuneration Committees.

**NUMBER OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR AND THE DATES OF THE BOARD MEETINGS:**

The Board met Five times during the financial year 2018-2019.

The dates on which the above Board meetings were held are as follows;

30<sup>th</sup> May 2018, 14<sup>th</sup> August 2018, 5<sup>th</sup> October 2018, 13<sup>th</sup> November 2018, and 14<sup>th</sup> February 2019.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors responsibilities Statement it is hereby confirmed:

- a. That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures ;
- b. That the directors have selected such 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 at the end of the financial year ended 31<sup>st</sup> March, 2019 and of the profit and loss of the company for that period;
- c. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. That the directors have prepared the annual accounts on a going concern basis.
- e. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f. That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**POLICIES****Material Subsidiary**

During the year ended March 31, 2019, the Company does not have any material listed/unlisted subsidiary companies as defined in the Companies Act 2013 & SEBI (LODR) Regulations 2015. The policy on determining material unlisted subsidiary of the Company is approved by the Board of Directors of the company.

**Vigil Mechanism**

The Board of Directors of the company are committed to maintain the highest standard of honesty, openness and accountability and recognize that employees have important role to play in achieving the goal. As a public company the integrity of the financial matters of the Company and the accuracy of financial information is paramount. The stakeholders of the Company and the financial markets rely on this information to make decisions. For these reasons, the Company must maintain workplace where it can retain and treat all complaints concerning questionable accounting practices, internal accounting controls or auditing matters or concerning the reporting of fraudulent financial information to our shareholders, the Government or the financial markets. The employees should be able to raise these free of any discrimination, retaliation or harassment. Pursuant to the policy, employees are encouraged to report questionable accounting practices to Mr. Mahendra Kumar Ranka, Chairman of Audit Committee through email or by correspondence through post.

**Familiarisation programme for Independent Directors**

Pursuant to the provisions of SEBI (LODR) Regulations 2015, the Company has formulated a programme for familiarising the Independent Directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc through various initiatives.

**Key Managerial Personnel**

Sri. Siva Prasad Sarva, Chief Financial Officer, and Mr. Ankit Choudhary, Company Secretary & Compliance officer of the Company are the Key Managerial Personnel of the Company in accordance with the Section 203 of the Companies Act, 2013.

**Related Party Transaction**

Policy on dealing with Related Party Transactions is approved by the Board

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons (except remuneration) which may have a potential conflict with the interest of the Company at large. The same was discussed by the Audit Committee as also the Board. The



policy on Related Party Transactions as approved by the Board. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

**Internal Financial Controls**

The Company has in place adequate internal financial controls with reference to financial statements. Periodic audits are undertaken on a continuous basis covering all the operations i.e., manufacturing, sales & distribution, marketing, finance, etc. Reports of internal audits are reviewed by management from time to time and desired actions are initiated to strengthen the control and effectiveness of the system.

**Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report is obtained by the company and forms part of this Annual report.

**Disclosures pursuant to The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

1. The Disclosures pursuant to sub-rule (1) of Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are forms part of the Board's Report.
2. The Disclosures pursuant to sub-rule (2) of Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company forms part of the Board's Report.

**Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The details pertaining to criteria for determining qualifications, positive attributes and independence of a Director and remuneration policy have been provided in Section of the attached Corporate Governance Report.

**Significant and Material Orders Passed by the Regulators or Courts**

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations

**Disclosure Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. An Internal committee has been set up to redress the complaints received regarding sexual harassment at workplace. All employees including trainees are covered under this policy.

**Personnel**

The relationship between the management and the staff was very cordial throughout the year under review. Your Directors take this opportunity to record their appreciation for the cooperation and loyal services rendered by the employees.

**Acknowledgements**

Your Directors place on record their appreciation of the continuous assistance and co-operation extended to your Company by the valued customers, bankers, Reserve Bank India, SEBI, Bombay Stock Exchange Limited & National Stock Exchange of India Limited and all other regulatory Authorities. The Directors also sincerely acknowledge the significant contributions made by all the employees for their dedicated services to the Company.

For and on behalf of the board  
For **CUBEX TUBINGS LIMITED**

**P.R.BHANDARI**  
Managing Director

**VIRENDRA BHANDARI**  
Executive Director

PLACE: Hyderabad.  
DATE: 13.08.2019

**Siva Prasad Sarva**  
Chief Financial Officer

**MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:**

Pursuant to SEBI (LODR) Regulations 2015, 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, Electrical Equipment industries and ship building company.

**B. INDUSTRY OUTLOOK**

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

The fundamental growth drivers of the country's economy as well as Copper industry continue to remain strong despite the pressures of slowdown and inflationary conditions prevalent till recently in the nation and also globally. The Copper Industry in the country is continuously attracting investments from domestic and foreign investors.

The threats to the segments in which the company operates are volatility in Exchange rate & Metal Prices.

**D. STRENGTH AND RISKS & CONCERNS**

The existing management has a strong technical knowledge and experience in the metal industry. Sri. P R Bhandari, Managing Director, and Sri. Virendra Bhandari, Executive Director are having vast technical knowledge and expertise in handling the business of the Company. Sri. Trilok Singh, Independent Director, has vast experience in the process of OFE copper & Copper based alloys and expertise in the process of high temperature corrosion resistance materials for marine applications and Sri. Mahendra Kumar Ranka and Sri. Sandeep Kumar, are independent and non-executive directors, are having vast experience and expertise in Business.

Your company is concerned about the wide Fluctuations in Copper prices globally and locally and increase in foreign exchange value.

**FUTURE PROSPECTS**

We are mostly manufacturing general copper and copper alloy products to standard specifications.

**FUTURE PLANS**

There is a huge market for supply of specialised copper & Nickel tubes to desalination Plants in Middle East. This opens a new segment which holds lot of promises in Europe & USA. Further, we are only company in India to manufacture this type of tubes.

**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.

The Company has in place adequate internal financial controls with reference to financial statements. Periodic audits are undertaken on a continuous basis covering all the operations i.e., manufacturing, sales & distribution, marketing, finance, etc. Reports of internal audits are reviewed by management from time to time and desired actions are initiated to strengthen the control and effectiveness of the system.

**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.

**FORM No. MR-3  
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,

The Members, CUBEX TUBINGS LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Cubex Tubings Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit and as per the explanations given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder, subject to the observations made hereunder, and only to the extent of the documents verified by us, and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2019 according to the applicable provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made there under, as applicable;
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, amended from time to time;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 amended from time to time;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 & amended from time to time; and
- v. We have also examined compliance with the applicable clauses of Secretarial Standards of The Institute of Company Secretaries of India with respect to board and general meetings

During the period under review and as per the explanations and clarifications given to us and the representations made by the Management, the Company has complied (except delay filings with ROC / delay intimations to Stock Exchange in some cases) with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings, as represented by the management, were taken unanimously. We further report that as per the explanations given to us and the representations made by the Management and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no instances of Amalgamation or arrangements.

Sd/-  
Sarada Putcha  
Company Secretary

Hyderabad  
30-05-2019

FCS No: 21717, CP No: 8735

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

To,  
The Members,  
Cubex Tubings Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have verified the correctness and appropriateness of the information provided to us on random basis with samples.
4. We have not verified the correctness and appropriateness of financial records / Tax Returns and Books of Accounts of the Company.
5. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
6. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
7. We have not verified the compliance of applicable labour laws / factories act and other related work-men laws.
8. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-  
**Sarada Putcha**  
Company Secretary

Hyderabad  
30-05-2019

FCS No: 21717, CP No: 8735

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**SECRETARIAL ANNUAL COMPLIANCE REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019**

I, Sarada Putcha, Practicing Company Secretary, Hyderabad, has Examined :

- a. all the documents and records made available to us and explanation provided by M/s. Cubex Tubings Limited,
- b. the filings/ submissions made by the listed entity to the stock exchanges,
- c. website of the listed entity,
- d. any other document/ filing, as may be relevant, which has been relied upon to make this certification,

For the year ended 31st March 2019 in respect of compliance with the provisions of :

- a. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- b. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;





- d. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- e. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- f. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- g. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- h. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- i. SEBI (Registrar to the Issue & Share Transfer Agents) Regulations, 1993

and circulars/ guidelines issued thereunder;

and based on the above examination, I/We hereby report that, during the Review Period:

- a. The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr.No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
Nil			

- a. The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- b. The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter,	Observations/ remarks of the Practicing Company Secretary, if any. debarment, etc.
Nil				

- a. The listed entity has taken the following actions to comply with the observations made in previous reports

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Not Applicable				

Hyderabad  
30-05-2019

Sd/-  
Sarada Putcha  
Company Secretary

FCS No: 21717, CP No: 8735

**Form No. MGT-9**
**EXTRACT OF ANNUAL RETURN**
**as on the financial year ended on**
**31<sup>ST</sup> March 2019**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i. CIN	: L27109TG1979PLC002504
ii. Registration Date	: 10th August 1979
iii. Name of the Company	: CUBEX TUBINGS LTD.
iv. Category / Sub-Category of the Company	: Indian – Non- Govt. Company
v. Address of the Registered office and contact details	: 1-7-27 to34, 1 <sup>st</sup> Floor, ShyamTowers, S.D.Road, Secunderabad, Telangana – 500003
vi. Whether listed company Yes / No	: Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	: M/S. Aarathi Consultants Pvt. Ltd., 1-2-285, Domalguda,Hyderabad - 500 029 Tel. No.: 040-2763 8111, 2763 4445 Fax :0091-40-2763 2184

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Copper & Copper Alloys.	24201	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NIL**

S. NO	Name and address of the Company	CIN/GLN	Holding/ Subsidiary / Associate
1	NA		

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	739499	3410	742909	5.19	742909	0	742909	5.19	0
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	1867395	3750000	5617395	39.23	5617295	0	5617295	39.23	(100)
e) Banks / FI									
f) Any other	0	0	0	0	0	0	0	0	0
<b>(2) Foreign</b>									
<b>Total shareholding of Promoter (A)</b>	<b>2606894</b>	<b>1833320</b>	<b>6360304</b>	<b>44.42</b>	<b>6360204</b>	<b>0</b>	<b>6360204</b>	<b>44.42</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	45200	45200	0.32	0	45200	45200	0.32	0
b) Banks / FI	0	800	800	0.01	0	800	800	0.01	0
c) Central Govt	5485	0	5485	0.04	5485	0	5485	0.04	0
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	<b>5485</b>	<b>46000</b>	<b>51485</b>	<b>0.37</b>	<b>5485</b>	<b>46000</b>	<b>51485</b>	<b>0.37</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	339224	3089732	3428956	23.95	339224	3089732	3428956	23.95	0.18
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2532850	553014	3085864	21.55	2512318	520081	3032399	21.17	(0.38)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1236482	0	1236482	8.64	1312064	0	1312064	9.16	(0.52)
c) Others (specify)									
Non Resident Indians	51084	10000	61084	0.42	64264	0	64264	0.45	0.13
Overseas Corporate Bodies	0	50200	50200	0.35	0	50200	50200	0.35	0
Foreign Nationals									
Clearing Members	44355	0	44355	0.31	37555	0	37555	0.26	(0.50)
Trusts									
Foreign Bodies – D R									
<b>Sub-total (B)(2):-</b>	<b>4203995</b>	<b>3702946</b>	<b>7906941</b>	<b>55.21</b>	<b>4203995</b>	<b>3702946</b>	<b>7906941</b>	<b>55.21</b>	<b>(0.04)</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>7262835</b>	<b>695836</b>	<b>7958671</b>	<b>55.58</b>	<b>7262835</b>	<b>695836</b>	<b>7958671</b>	<b>55.58</b>	<b>0.03</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs Grand Total (A+B+C)</b>	<b>9896008</b>	<b>4682967</b>	<b>14318975</b>	<b>100</b>	<b>9896008</b>	<b>4682967</b>	<b>14318975</b>	<b>100</b>	<b>0</b>

**ii) Shareholding of Promoter-**

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	CUBEX SECURITIES LIMITED	1867395	13.04	0	1867395	13.04	0	0
2.	NADOL TRADING PVT LTD	2125000	14.84	0	2125000	14.84	0	0
3.	MAVV TRADING PVT LTD	1625000	11.35	0	1625000	11.35	0	0
4.	PUSHRAJ BHANDARI	286430	2.00	0	286430	2.00	0	0
5.	MOHINIDEVI BHANDARI	146200	1.02	0	146200	1.02	0	0
6.	VIRENDRA BHANDARI	88980	0.62	0	88980	0.62	0	0
7.	VEENA BHANDARI	217889	1.52	0	217889	1.52	0	0
8.	KIRAN BHANDARI	3410	0.02	0	3410	0.02	0	0

**iii) Change in Promoters' Shareholding (please specify, if there is no change): NO CHANGE**

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	6360304	44.42	0	0
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Transfers			
	At the end of the year	6360304	44.42	NA	NA

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-



**V. INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	0	0	0	0
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	0	0	0
<b>Change in Indebtedness during the financial year</b>	0	0	0	0
* Addition	0	0	0	0
* Reduction	0	0	0	0
<b>Net Change</b>	0	0	0	0
<b>Indebtedness at the end of the financial year</b>	0	0	0	0
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	0	0	0

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (Rs.)
		P R Bhandari	Virendra Bhandari	Veena Bhandari	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,00,000/-	9,00,000/-	6,00,000/-	24,00,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission- as % of profit- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	9,00,000/-	9,00,000/-	6,00,000/-	24,00,000/-
	Ceiling as per the Act	-	-	-	-

**B. Remuneration to other directors: NIL**

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		--	--	--	--	
1	Independent Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	<b>Total (1)</b>					
2	Other Non-Executive Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	<b>Total (2)</b>					
	<b>Total (B)=(1+2)</b>					
	<b>Total Managerial Remuneration</b>					
	<b>Overall Ceiling as per the Act</b>					



**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	--	--	2,40,000/-	2,40,000/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--	--	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission - as % of profit others, specify...	--	--	--	--
5	Others, please specify	--	--	--	--
	Total	--	--	2,40,000/-	2,40,000/-

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority[RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b> Penalty Punishment Compounding					
<b>B. DIRECTORS</b> Penalty Punishment Compounding			Nil		
<b>C. OTHER OFFICERS IN DEFAULT</b> Penalty Punishment Compounding					





**REPORT ON CORPORATE GOVERNANCE  
(Pursuant to SEBI (LODR) Regulations 2015)**

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

Your Company has been committed to the highest standard of Corporate Governance practices in the entire gamut of its business philosophy. The guiding forces of Corporate Governance at Cubex are its core values - Quality operations, Customer satisfaction, Shareholders' value, Belief in people. The Company believes that a strong Corporate Governance policy is indispensable to healthy growth of business and resilient and vibrant capital markets, besides being an important instrument of investor protection. In this direction, Cubex endeavors in true spirit, to adopt the best global practices in Corporate Governance.

**2. BOARD OF DIRECTORS**

- a) As on the date of this report, the Board of Directors of the Company comprises of 6 (SIX) Directors which includes woman director out of which, 3 (three) Executive Directors including Managing Director, and 3 (Three) are Non-Executive & Independent Directors.
- b) The composition of the Board is in conformity with SEBI (LODR) Regulations 2015 and meets the stipulated requirements.
- c) 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, 2019.
- d) 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 8 companies and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

Name of the Director and age	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 74 Yrs	Promoter & Managing Director	Managing Director	Father of Virendra Bhandari	Nil	Nil	Nil
Sri. Virendra Bhandari 47 Yrs	Promoter & Executive Director	Executive Director	Son of Sri P.R. Bhandari	1	Nil	Nil
Smt. Veena Bhandari	Executive Director	Director Admin	Wife of Sri. Virendra Bhandari	1	Nil	Nil
Sri Mahendra Kumar Ranka	Independent Non-Executive	Director	Nil	1	Nil	Nil
Sri. Sandeep Kumar	Independent Non-Executive	Director	Nil	Nil	Nil	Nil
Sri Trilok Singh	Independent Non-Executive	Director	Nil	Nil	Nil	Nil

During 2018-19, the Board met 5 (Five) times on

30th May 2018, 14th August 2018, 5th October 2018, 13th November 2018, and 14th February 2019.

The Last Annual General Meeting was held on 28th September 2018. The attendance of each Director during the financial year is as under:

Name of the Director	No. of Meetings held	No. meetings attended	Presence at AGM
Sri P.R. Bhandari	5	5	Yes
Sri. Virendra Bhandari	5	5	Yes
Smt. Veena Bhandari	5	5	Yes
Sri. Mahendra Kumar Ranka	5	4	Yes
Sri. Sandeep Kumar	5	5	Yes
Sri. Trilok Singh	5	5	No

None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company During the year, information as mentioned required **SEBI (LODR) Regulations 2015** 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 SEBI (LODR) Regulations 2015 read with the provision of the Companies Act, 2013.
- II) The terms of reference of the Audit Committee include a review of;
  - a. 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.
  - b. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
  - c. 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.
  - d. Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
  - e. Reviewing with management the annual financial statements before submission to the Board, focusing on:
    - i. Any changes in accounting policies and practices;
    - ii. Qualification in draft audit report;
    - iii. Significant adjustments arising out of audit;
    - iv. The going concern concept;
    - v. Compliance with accounting standards;
    - vi. Compliance with stock exchange and legal requirements concerning financial statements;
    - vii. Any related party transactions
  - f. Reviewing the company's financial and risk management's policies.
  - g. Disclosure of contingent liabilities.
  - h. Reviewing with management, external and internal auditors, the adequacy of internal control systems.
  - i. Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
  - j. Discussion with internal auditors of any significant findings and follow-up thereon.
  - k. Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  - l. Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  - m. Reviewing compliances as regards the Company's Whistle Blower Policy.



- III) The previous Annual General Meeting of the Company was held on 28th September 2018 and Mr. Mahendra Kumar Ranka, Chairman of the Audit Committee, attended previous AGM.

The attendance of each member of the Audit Committee are given below:

Name of the Director	Designation	No. of Meetings held	No. meetings attended
Mr. Mahendra Kumar Ranka	<b>Chairman</b>	<b>5</b>	<b>4</b>
Mr. Virendra Bhandari	<b>Member</b>	<b>5</b>	<b>5</b>
Mr. Sandeep Kumar	<b>Member</b>	<b>5</b>	<b>5</b>

- V) During the financial year four Audit Committee meetings were held on 30th May 2018, 14th August 2018, 13th November 2018, and 14th February 2019.

The necessary quorum was present at all the meetings.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

The composition of the Committee is given below:

Name of the Director	Chairman/Member
Mr. Mahendra Kumar Ranka	Chairman
Mr. Sandeep Kumar	Member
Mr. Trolik Singh	Member

#### 5. REMUNERATION OF DIRECTORS:

Details of remuneration paid to Directors are given below:

Name of the Director	Relationship with other Directors	Business relationship with Company if any	Loans and advances from Company	Remuneration Sitting fee	Paid during the Year 2018-19		
					Salary	Commission	Total
Sri P.R. Bhandari	Related to Sri Virendra Bhandari Executive Director & Smt. Veena Bhandari (Director-Admin)	Promoter Director	NIL	—	9,00,000	—	9,00,000
Sri.Virendra Bhandari	Related to Sri.P.R.Bhandari, Managing Director& Smt. Veena Bhandari (Director-Admin)	Promoter Director	NIL	—	9,00,000	—	9,00,000
Smt. Veena Bhandari	Related to Sri. P R Bhandari (Managing Director) & Veirendra Bhandari (Executive Director)	Director Admin & related to Promoter Group	NIL	—	6,00,000	—	6,00,000

Note: No setting fee' was paid to any Director for attending any Board Meeting or any committee meeting

Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, except the remuneration to managerial personnel, there is no other related party transactions to be disclosed.

**6. STAKEHOLDERS RELATIONSHIP /INVESTORS GRIEVANCE COMMITTEE:**

The Committee oversees share transfers and monitors investor grievances. To look into the redressal of shareholders and investors complaints like – transfer of shares, non – receipt of balance Sheet, non-receipt of declared dividends etc.,

The Committee consists of the following Directors:

<b>Name of the Director</b>	<b>Chairman/Member</b>
Mr. Mahendra Kumar Ranka	Chairman
Mr. P R Bhandari	Member
Mr. Virendra Bhandari	Member

Details of Complaints received/resolved:

During the period under review, no complaints were received from the shareholders, and there are no pending Complaints as on date of this report.

Company has made all the arrangements to resolve all the investors' Complaints if any, within seven days from the date of receipt of the complaint, as communicated by our Share Transfer Agents M/s. Aarathi Consultants Pvt. Ltd. The outstanding complaints as on 31st March, 2019 were: NIL.

**INDEPENDENT DIRECTORS**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013 and SEBI (LODR) Regulations 2015. The Company has complied with the requirement of training of the Independent Directors and their performance evaluation and holding separate meetings for the Independent Directors.

**7. DETAILS OF ANNUAL GENERAL MEETINGS: LOCATION AND TIME OF THE LAST THREE AGMS.**

<b>AGM</b>	<b>YEAR</b>	<b>VENUE</b>	<b>DATE</b>	<b>TIME</b>
39 <sup>th</sup>	2017-2018	Hotel Raj Comfort Inn, Near Praradise, Opposite HDFC Bank, Secunderabad-500	28.09.2018	10.30A.M.
38 <sup>th</sup>	2016-2017	Hotel Raj Comfort Inn, Near Praradise, Opposite HDFC Bank, Secunderabad-500	29.09.2017	10.30A.M.
37 <sup>th</sup>	2015-2016	Hotel Raj Comfort Inn, Near Praradise, Opposite HDFC Bank, Secunderabad-500	29.09.2016	10.00A.M.

**Postal ballot:**

During the year under review, no resolution has been passed through postal ballot.

**8. DISCLOSURES**

- i. There were no materially significant related party transactions that may have potential conflict with the interest of the Company at large.
- ii. There was no incidence of non-compliance during the last three years by the Company on any matter related top Capital markets. There were no penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority.
- iii. The Company has complied with all the mandatory requirements of SEBI (LODR) Regulations 2015.

**9. NOTES ON DIRECTORS APPOINTMENT/RE-APPOINTMENT:**

Relevant details forms part of the explanatory statement to the notice of the Annual General Meeting/Director's Report.

**10. MEANS OF COMMUNICATIONS:**

The quarterly, half-yearly and yearly financial results will be sent to the Stock Exchanges immediately after the Board approves the same and these results will also be published in prominent daily newspapers. These financial statements, press releases are also posted on the Company's website. As the financial performance of the Company is well published, individual communication of half yearly results are not sent to the shareholders.

The Management Discussion and Analysis Report forms part of the annual report, which is posted to the shareholders of the Company.

**11. GENERAL SHAREHOLDER INFORMATION:****(I) Annual General Meeting**

Date : 28<sup>th</sup> September, 2019

Time : 10.30 A.M.

Venue : Hotel Raj Comfort Inn, Near Paradise, Opposite HDFC Bank, Secunderabad-500 003

**(II) Financial Calendar 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020 (Tentative Schedule)**

Quarter ending June 30, 2019 : 13<sup>th</sup> August 2019

Quarter ending September 30, 2019 : 1<sup>st</sup> / 2<sup>nd</sup> week of November 2019

Quarter ending December 31, 2019 : 1<sup>st</sup> / 2<sup>nd</sup> week of February 2020

Quarter ending March 31, 2020 : on or before 30<sup>th</sup> May 2020

Annual General Meeting for FY ended 31<sup>st</sup> March, 2020 : Before end of September, 2020

**(III) Date of Book Closure : 23<sup>rd</sup> September 2019 to 28<sup>th</sup> September 2019****(IV) Listing on Stock Exchanges :**

1. BSE Limited (BSE), Mumbai.
2. The National Stock Exchange of India Limited (NSE), Mumbai

**The listing fee has been paid to all the Stock Exchanges where the Company's shares are listed.**

**(V) Stock Code**

The Bombay Stock Exchange Limited (BSE) : 526027

The National Stock Exchange of India Limited (NSE) : CUBEXTUB

**Dematerialization of Securities** : ISIN: INE 144D01012

**(VI) Market Price Data: High, Low during each Month in last Financial Year 2018-19 :**

During the financial year the shares of the company were traded on Bombay Stock Exchange Limited & on National Stock Exchange Limited.



Month & Year	BSE (in Rs.)		NSE (in Rs.)	
	High	Low	High	Low
April 2018	25.40	17.75	25.55	18.10
May 2018	23.50	17.90	22.85	17.65
June 2018	19.35	14.55	20.45	14.70
July 2018	17.47	14.00	16.65	13.90
August 2018	17.55	13.65	17.05	14.00
September 2018	15.45	13.16	15.25	12.45
October 2018	16.10	10.87	15.00	10.95
November 2018	23.50	12.08	23.50	12.70
December 2018	19.65	14.30	19.25	14.35
January 2019	15.76	12.85	15.75	13.20
February 2019	14.80	10.75	15.90	11.05
March 2019	17.77	12.71	17.65	13.05

**(VII) Stock Performance in Comparison to Broad-based indices such as BSE Sensex, CRISIL Index, BZX 200, Nifty etc.**

During the financial year the shares of the company were traded actively and the Share price has been moving with the trend of the indices.

**(VIII) Transfer Agents**

M/s. Aarathi Consultants Private Limited  
 1-2-285, Domalguda, Hyderabad – 500 029.  
 Ph: 040-2763 8111; 040-2763 4445  
 Fax: 040-2763 2184  
 Website: [www.aarthicconsultants.com](http://www.aarthicconsultants.com)  
 Email: [info@aarthicconsultants.com](mailto:info@aarthicconsultants.com)

**(IX) Share Transfer System**

**Documents will be accepted at**

M/s. Aarathi Consultants Private Limited  
 1-2-285, Domalguda, Hyderabad – 500 029.  
 Ph: 040-2763 8111; 040-2763 4445  
 Fax: 040-2763 2184  
 Website: [www.aarthicconsultants.com](http://www.aarthicconsultants.com)  
 Email: [info@aarthicconsultants.com](mailto:info@aarthicconsultants.com)

The Shares of the Company are in physical form and electronic form. The transfer of shares in demat form is done through the Depositories without involvement of the Company. As regards, transfer of shares held in physical form, the transfer documents can be lodged with Company as well as Registrars M/s. Aarathi Consultants Private Limited at above-mentioned address.

The Transfer of shares in physical form is normally processed within 10-15 days from the date of receipt if the documents are complete in all respects. The Share Transfer Committee severally empowers to approve the transfers.

**(X) Statement Showing Distribution Schedule as on 31.03.2019**

The details of distribution schedule is mentioned elsewhere in this Annual Report

**(XI) Statement Showing Shareholding Pattern as on 31.03.2019**

**Statement holding of Securities**

Category of shareholder (ii)	No. of share holders (iii)	Total nos. shares held (vii = iv+v+vi)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)(Viii) As a % of (A+B+C2)
Promoter & Promoter Group	8	6360304	44.42
Public	7303	7958671	55.58
<b>Total</b>	<b>7311</b>	<b>14318975</b>	<b>100</b>



**(XII) Dematerialization of shares & liquidity**

The Company's shares are compulsory traded in dematerialized form and are available for trading on both the Depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Company representing 68.93% of the company's share capital are dematerialized as on 31st March 2019

The Company's shares are listed and eligible to trade on the above-mentioned Stock Exchanges in electronic form. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is **INE 144D01012**.

- (XIII) Plant Location** Near 5th Phase, S.No.464, 482, IDA, Patancherru, Sanga Reddy District, Telangana.
- (XIV) Address for Correspondence** 1-7-27 to 34, IInd Floor, Shyam Towers  
S.D.Road, Secunderabad – 500 003.

**12. OTHER DISCLOSURES AS PER SEBI (LODR) REGULATIONS****i. Code of Conduct**

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

**Certificate of Code of Conduct for the year 2018-19**

CUBEX is committed for conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted "Code of Conduct" which is applicable to all director, officers and employees.

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Conduct, under a certificate of Code of Conduct for the year 2018-19.

Hyderabad  
13.08.2019

**P.R. Bhandari**  
Managing Director

**ii. Disclosure of Accounting Treatment**

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the treatment prescribed in the Accounting Standards notified under the provisions of the Companies Act, 2013.

**iii. Non executive directors' compensation and disclosures**

None of the Independent / Non-executive Directors has any pecuniary relationship or transactions with the Company which in the judgment of the Board may affect the independence of the Directors.

**iv. CEO/CFO Certification**

The CEO and CFO certification of the financial statements for the year 2018-19 is provided elsewhere in this Annual Report.

For and on behalf of the board  
For **CUBEX TUBINGS LIMITED**

PLACE: Hyderabad.  
DATE: 13.08.2019

**P.R.BHANDARI**                      **VIRENDRA BHANDARI**  
Managing Director                      Executive Director

**Siva Prasad Sarva**  
Chief Financial Officer

**CERTIFICATE BY THE CHIEF EXECUTIVE OFFICER (CEO) AND THE CHIEF FINANCIAL OFFICER (CFO)**

I, P.R. Bhandari, Managing Director of M/s Cubex Tubings Limited certify:

1. That we have reviewed the financial statements and the cash flow statement for the year ended 31st March 2019 and to the best of our knowledge and belief;
  - These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
  - These statements present a true and fair view of the company's affair and are in compliance with the existing accounting standards, applicable laws and regulations.
2. That there are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct;
3. That we accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which we are aware and the steps that we have taken or purpose to take and rectify the identified deficiencies and;
4. That we have informed the auditors and the audit committee of:
  - a) Significant changes in the internal control during the year;
  - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c) There is no Instances of significant fraud of which we have become aware and the involvement of an employee having a significant role in the company's internal control system.

For and on behalf of the board  
For **CUBEX TUBINGS LIMITED**

PLACE: Hyderabad.

DATE: 13.08.2019

**P.R.BHANDARI**  
Managing Director

**Siva Prasad Sarva**  
Chief Financial Officer

**Certificate on compliance of Corporate Governance**

To  
The Members,  
**Cubex Tubings Limited**  
Hyderabad

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance condition of corporate governance of M/s Cubex Tubings Limited ("the company") for the year ended 31st March, 2019 as stipulated in SEBI (LODR) Regulations 2015.

The compliance of the conditions of the Corporate Governance is the responsibility of the management. Our examination, conducted in the manner described in the Guidance note on Certification of Corporate governance" issued by the Institute of Chartered Accountants of India was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the company.

In our opinion and to the best of our information and explanations given to us and on the basis of our examination described above, the company has complied with the conditions of Corporate Governance as stipulated in SEBI (LODR) Regulations 2015 above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For P C N & Associates.,**  
Chartered Accountants

PLACE : HYDERABAD

DATE :13.08.2019

**M. Naveen**  
Partner  
M.No. 237316

## INDEPENDENT AUDITOR'S REPORT

**To the members of Cubex Tubings Limited**

### **Opinion**

We have audited the Ind AS Financial Statements of Cubex Tubings Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and Statement of Profit and Loss (including Other Comprehensive Income), statement of changes in Equity and the Cash Flow Statement for the year then ended, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IND AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and Profit for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the IND AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the IND AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

### **Management's Responsibility for the IND AS financial statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these IND AS financial statements that give a true and fair view of the financial position, financial performance (including the other comprehensive income), cash flows and Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Relevant Rules issued thereunder. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the standalone IND AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone IND AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit Procedures that is appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists; we are required to draw attention in our auditor's report to the related disclosures in the standalone IND AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone IND AS financial statements, including the disclosures, and whether the standalone IND AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the standalone IND AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the IND AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the IND AS financial statements.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone IND AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**Report on Other Legal and Regulatory Requirements**

1. As required by the companies (Auditor's Report) Order, 2016 ('the order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - a) the Balance Sheet, Statement of Profit and Loss(including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity dealt with by this Report are in agreement with the books of account;
  - (c) In our opinion, the aforesaid IND AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Relevant Rules issued there under.
  - (d) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (e) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

**Yours faithfully,**  
**For P C N & Associates**  
**(Formerly known as Chandrababu Naidu & Co.,)**  
Chartered Accountants  
FRN: 016016S

**M. Naveen**  
Partner  
M.No:237316

Place: Hyderabad  
Date: 30-05-2019

**Annexure A to the Auditor's Report****Annexure referred to in paragraph 1 of Our Report of even date to the members of M/s. Cubex Tubings Limited on the accounts of the company for the year ended 31st March, 2019 Under "Report on other Legal & Regulatory Requirements"**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. According to the information and explanations given to us and on the basis of our examination of the records of the company inventories have been physically verified at reasonable intervals of time and no material discrepancies have been found.
- iii. The company has not granted any loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence this clause is not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans, investments, guarantees and securities therefore section 185 and 186 of the Act, with respect to the loans and investments do not apply.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- vi. We have broadly verified the books of accounts and records maintained by the company relating to the copper and copper alloy products pursuant to the order made by the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of records with a view to determine, whether they are accurate and complete.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Customs Duty and other material statutory dues, as applicable.
- (b) There are no undisputed amounts payable in respect of Provident Fund, , Employees' State Insurance and Income-tax other material statutory dues in arrears as at 31st March 2019 for a period of more than 6 months for the date they became payable.
- (c) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax and any other major statutory dues which have not been deposited on account of any disputes.
- viii. In our opinion, and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks or financial institutions. The company has not issued any debentures.
- ix. According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3(ix) of the order are not applicable to the company.
- x. During the course of examination of books of accounts and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to information and explanations given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor have been informed of such cases by the management.
- xi. According to information and explanation given to us and based on our examination of records of the company, the Company has paid/provided for managerial remuneration in accordance with the provisions of section 197 read with schedule V to the Act.



- xii. In our opinion and according to information and explanations given to us, the company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the IND AS financial statements as required under Indian Accounting standard (Ind AS) 24, related party disclosures specified under section 133 of the Act, read with relevant rules issued there under.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, the provisions of clause 3(xiv) of the order are not applicable to the company.
- xv. According to information and explanations given to us and to the best of our knowledge and belief the company has not entered into any non-cash transactions with directors or persons connected with the directors. Therefore, the provisions of clause 3(xv) of the order are not applicable to the company.
- xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934. Accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company.

Yours faithfully,  
**For P C N & Associates**  
(Formerly known as Chandrababu Naidu & Co.,)  
Chartered Accountants  
FRN: 016016S

**Place: Hyderabad**  
**Date: 30-05-2019**

**M. Naveen**  
**Partner**  
**M.No:237316**

#### **Annexure B to the Auditor's Report**

"Annexure B" referred to in paragraph 2(f) under "Report on other legal and Regulatory Requirements" section of report on IND AS financial statements of even date to the members of Cubex Tubings Limited on the Ind AS financial statement for the year ended 31st March 2019.

#### **Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of Cubex Tubings Limited ('the Company') as of 31st March 2019 in conjunction with our audit of the IND AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were





established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the IND AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of IND AS financial statements for external purposes in accordance with generally accepted accounting principles including Indian Accounting Standards. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of IND AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the IND AS financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Yours faithfully,  
**For P C N & Associates**  
(Formerly known as Chandrababu Naidu & Co.)  
Chartered Accountants  
FRN: 016016S

Place: Hyderabad  
Date: 30-05-2019

**M. Naveen**  
Partner  
M.No:237316

**Notes to the Standalone Financial Statements**

For The Year Ended 31st March, 2019

**1) CORPORATE INFORMATION**

Cubex Tubings Limited (Company) was incorporated on 10th August 1979 under the laws of the republic of India and has registered office at Secunderabad (Telangana). Company is a 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 & Ship Builders.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

**2) SIGNIFICANT ACCOUNTING POLICIES****2.1. Basis of preparation, measurement and significant accounting policies**

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

Up to the year ended March 31, 2017, the Company has prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP". Company's financial statements are presented in Indian Rupees, which is also its functional currency.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of Preparation**

Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

**(b) Historical Cost Convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value

**(c) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Company uses valuation techniques that are appropriate in the circumstances for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**(d) Exemptions from retrospective application****i) Fair value as deemed cost exemption**

The Company has elected to measure items of property, plant and equipment at its carrying value at the transition date are measured at fair value as deemed cost

**ii) Cumulative translation differences**

The Company has elected to apply Ind AS 21 - The Effects of changes in Foreign Exchange Rate prospectively. Accordingly all cumulative gains and losses recognized are reset to zero by transferring it to retained earnings.

**(e) Current vis-a-vis non-current classification**

The assets and liabilities reported in the Balance Sheet are classified on a "current/non-current basis", with separate reporting of assets held for sale and liabilities. Current assets, which include cash and cash equivalents, are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company or in the 12 months following the balance sheet date; current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Company or within the 12 months following the close of the financial year. The deferred tax assets and liabilities are classified as non-current assets and liabilities.

**2.2. Revenue Recognition****Recognition of Revenue from Sale of Products (Copper and Copper Alloys Products):**

Revenue from sale of products is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from sale of products is not recognized on the grounds of prudence, until realized in respect of delayed payments as recovery of amounts are not certain.

Revenue from sale of products is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue from operations includes sale of products, services, service tax, excise duty, GST and adjusted for discounts (net).

**2.3. Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiary operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

**Deferred income tax** is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**2.4. Earnings per share**
**iii) Basic earnings per share:**

Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the Company;
- By the weighted average number of equity shares outstanding during the financial year.

**iv) Diluted earnings per share**

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**2.5. Property, plant and equipment**

- Freehold land is carried at historical cost. All other items of Property, plant and equipment are stated at historical cost which includes capitalised borrowing cost, less depreciation and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits can be derived.

Benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**Depreciation methods, estimated useful lives and residual value:**

- Depreciation is provided to the extent of depreciable amount on Straight Line Method (SLM) based on useful life of the following class of assets as prescribed in Part C of Schedule II to the Companies Act, 2013 except in case of Plant and Machinery where the estimated useful life has been considered as Thirty years based on a technical evaluation by the management.

Particulars	Estimated useful lives (Years)
• Plant and equipment - I	15
• Plant and equipment - II	30*
• Furniture and fixtures	10
• Office equipments	5
• Computer	3
• Vehicles	8

\* The estimated useful life of plant and equipment has been taken as 30 years since the asset is purchased during the year.

- Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

**2.6. Inventories**

Consumables, Stores and Spares

Inventories are valued at cost or net realizable value, whichever is lower. Costs include all non-refundable duties and all charges incurred in bringing the goods to the present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**2.7. Trade Receivables:**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The company has not created any provision for impairment during the year.

**2.8. Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**2.9. Contributed Equity**

Equity shares are classified as equity.

**2.10. Financial liabilities:****i) Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

**ii) Initial recognition and measurement:**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

**iii) Subsequent measurement:**

The measurement of financial liabilities depends on their classification, as described

**Borrowings:**

Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest rate method.

**Trade and other payables:**

These amounts represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Those payable are classified as current liabilities if payment is due within one year or less otherwise they are presented as non-current liabilities. Trade and other payables are subsequently measured at amortised cost using the effective interest rate method.

**Derecognition:**

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**2.11. Cash flow statement:**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**2.12. Provisions**

Provisions for legal claims, volume discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expense.

**2.13. Employee benefits****i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**ii) Post-employment obligations**

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, ESI. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

**2.14. Foreign currency translation****i) Functional and presentation currency**

Items included in the financial statements of the company are measured using the currency of its primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in Indian rupees (INR), which is the company's functional and presentation currency.

**ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

**2.15. Critical accounting estimates and judgements**

The presentation of financial statements under Ind AS requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The areas involving critical estimates or judgements are:

- Estimation of defined benefit obligation
- Useful life of Property Plant and Equipment
- Expected credit loss of financial assets
- Income Taxes

**2.16. Related Party Transactions:**

The Company furnishes the Disclosure of transactions with related parties, as required by Ind AS 24 "Related Party Disclosures" as prescribed by Companies (Indian Accounting Standard) Rules 2015. Related parties as defined under Ind AS 24 have been identified on the basis of representation made by the management and information available with the company.

**2.17. Exemptions from retrospective application****2.17.1 Fair value as deemed cost exemption**

The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date except for certain class of assets which are measured at fair value as deemed cost.

The company is not maintaining Provision for Gratuity since the same is not required as per provisions of Gratuity Act.

**Balance Sheet as at 31st March, 2019**
*(Amounts in Rs.)*

PARTICULARS	Note No.	As at 31 Mar 2019	As at 31 Mar 2018
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant, Equipment	3	15,48,91,498	16,72,70,183
Financial Assets			
(i) Loans	4	94,08,911	2,15,05,091
Other non current assets	5	6,61,21,952	11,58,21,434
		<b>23,04,22,361</b>	<b>30,45,96,708</b>
<b>Current Assets</b>			
Inventories	6	12,10,30,164	12,49,97,694
<b>Financial Assets</b>			
(i) Trade Receivables	7	37,91,05,528	24,86,75,290
(ii) Cash and cash equivalents	8	1,99,71,609	2,52,47,089
Current Tax Assets (Net)	9	1,09,25,263	2,70,78,620
Other current assets	10	2,89,00,822	1,51,10,797
		<b>55,99,33,385</b>	<b>44,11,09,490</b>
		<b>79,03,55,746</b>	<b>74,57,06,198</b>

PARTICULARS	Note No.	As at 31 Mar 2019	As at 31 Mar 2018
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity share capital	11	14,26,01,299	14,26,01,299
Other equity	12	43,61,46,046	42,95,58,952
		<b>57,87,47,345</b>	<b>57,21,60,251</b>
<b>LIABILITIES</b>			
<b>Non- Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	13	-	89,37,070
Deferred tax liabilities (Net)	14	92,70,123	1,02,10,372
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	15	4,79,83,851	5,03,32,048
(ii) Trade Payables	16	13,16,38,698	8,05,79,814
(iii) Other Financial Liabilities	17	89,37,070	1,25,48,343
Other Current Liabilities	18	1,14,58,184	91,90,823
Provisions	19	9,75,189	8,18,417
Current Tax Liabilities (net)	20	13,45,286	9,29,060
		<b>20,23,38,278</b>	<b>15,43,98,505</b>
		<b>79,03,55,746</b>	<b>74,57,06,198</b>

**Summary of significant accounting policies and the accompanying notes are an integral part of the financial statements.**

As per our report of even date attached

**For P C N & Associates**

Chartered Accountants

FRN : 016016S

**M.Naveen**

Partner

Membership No. 237316

Place : Hyderabad

Date : 30-05-2019

**For CUBEX TUBINGS LIMITED**

**P.R.Bhandari**      **Virendra Bhandari**  
 Managing Director      Executive Director

**Siva Prasad Sarva**  
 Chief Financial Officer





## Statement of Profit and Loss for the Period ended 31st Mar 2019

(Amounts in Rs.)

Particulars	Note No.	For the Period Ended 31-Mar-19	For the Year Ended 31-Mar-18
<b>Revenue</b>			
Revenue from operations	21	74,85,29,890	50,95,85,795
Other Income	22	1,99,28,487	2,48,97,256
<b>Total Income</b>		<b>76,84,58,377</b>	<b>53,44,83,051</b>
<b>Expenses</b>			
Cost of Material Consumed	23	64,85,87,324	50,06,15,844
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	15,55,656	(5,70,80,981)
Employee Benefit Expenses	25	96,59,019	98,55,286
Other Manufacturing Expenditure	26	7,39,76,543	4,81,26,013
Finance costs	27	50,35,342	31,11,532
Other expenses	28	91,57,303	1,08,99,178
Depreciation	3	1,34,95,058	1,40,80,504
<b>Total Expenses</b>		<b>76,14,66,245</b>	<b>52,96,07,376</b>
<b>Profit/(loss) Before Tax</b>		<b>69,92,131</b>	<b>48,75,675</b>
<b>Tax expense:</b>			
Provision for Tax		13,45,286	9,29,060
Deferred Tax		(9,40,249)	1,17,609
<b>Profit/(Loss) for the period</b>		<b>65,87,095</b>	<b>38,29,006</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
<b>Total comprehensive income for the period</b>		<b>65,87,095</b>	<b>38,29,006</b>
<b>VII. Earning per equity share of Rs 10/- each:</b>			
(1) Basic		0.46	0.27
(2) Diluted		0.46	0.27

Summary of significant accounting policies and the accompanying notes are an integral part of the financial statements.

As per our report of even date attached  
**For P C N & Associates**  
Chartered Accountants  
FRN : 016016S

**M.Naveen**  
Partner  
Membership No. 237316

Place : Hyderabad  
Date : 30-05-2019

**For CUBEX TUBINGS LIMITED**

**P.R.Bhandari**      **Virendra Bhandari**  
Managing Director      Executive Director

**Siva Prasad Sarva**  
Chief Financial Officer

**Statement of Cash flow for the period ended 31st March 2019**

Particulars	For the year ended	
	31-03-2019	31-03-2018
<b>A. Cash flow from operating activities</b>		
Profit / (Loss) before tax	69,92,131	48,75,675
<b>Adjustments to reconcile profit before tax to net cash from / (used in) operating activities.</b>		
Depreciation on property, plant and equipment	1,34,95,058	1,40,80,504
Finance costs	50,35,342	31,11,532
<b>Operating Profit before working capital changes</b>	<b>2,55,22,532</b>	<b>2,20,67,710</b>
<b>Working capital adjustments</b>		
Decrease/ (increase) in Trade and Other Advances	1,61,53,357	(83,01,910)
Decrease/ (increase) in Inventory	39,67,530	(6,84,90,755)
Increase/ (decrease) in Trade Payables	5,10,58,884	3,33,61,848
(Increase) / decrease in Trade Receivables	(13,04,30,238)	37,86,101
Decrease/ (increase) in other Current assets	(1,37,90,025)	1,81,65,807
(Decrease)/ increase in Current liabilities	4,16,226	58,238
Increase/ (decrease) Other Current Liabilities	(11,87,140)	41,82,142
Increase/ (decrease) in Short term borrowings	(23,48,196)	3,21,82,276
<b>Sub Total</b>	<b>(5,06,37,070)</b>	<b>3,70,11,458</b>
Income tax paid	(13,45,286)	(9,29,060)
<b>Net cash flows from operating activities (A)</b>	<b>(5,19,82,357)</b>	<b>3,60,82,398</b>
<b>B. Cash flow from investing activities</b>		
Payment for purchase and construction of property, plant and equipment	(11,16,373)	(62,65,981)
Repayment of loans given	1,20,96,180	3,71,383
<b>Net cash flows from / (used in) investing activities (B)</b>	<b>1,09,79,807</b>	<b>(58,94,598)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from long term loans and borrowings	(89,37,070)	(1,25,48,343)
Proceeds from Non Current assets	4,96,99,482	(2,28,90,192)
Interest payment	(50,35,342)	(31,11,532)
<b>Net Cash flows from / (used in) Financing activities (C)</b>	<b>3,57,27,070</b>	<b>(3,85,50,067)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(52,75,480)</b>	<b>(83,62,267)</b>
Opening Balance of Cash	2,52,47,089	3,36,09,356
Closing Balance	<b>1,99,71,609</b>	<b>2,52,47,089</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash on Hand	61,312	7,66,708
<b>Balances with bank in current account</b>	<b>1,99,10,297</b>	<b>2,44,80,381</b>
<b>Balance at the end of the year</b>	<b>1,99,71,609</b>	<b>2,52,47,089</b>

Summary of significant accounting policies and the accompanying notes are an integral part of the financial statements.

As per our report of even date attached  
**For P C N & Associates**  
Chartered Accountants  
FRN : 016016S

**M.Naveen**  
Partner  
Membership No. 237316

Place : Hyderabad  
Date : 30-05-2019

**For CUBEX TUBINGS LIMITED**

**P.R.Bhandari**      **Virendra Bhandari**  
Managing Director      Executive Director

**Siva Prasad Sarva**  
Chief Financial Officer

**Notes to the Financial Statements  
Statement of changes in Equity**
**A. Equity Share Capital:**

Particulars	(Amounts in Rs.)	
	Number of Shares	Amount
Balance as at April 1, 2017	1,42,60,130	14,26,01,300
Changes in equity Share Capital	-	-
Balance as at March 31, 2018	1,42,60,130	14,26,01,300
Balance as at April 1, 2018	1,42,60,130	14,26,01,300
Changes in equity Share Capital	-	-
Balance as at March 31, 2019	1,42,60,130	14,26,01,300

**B. Statement of changes in Equity**

Other Equity	(Amounts in Rs.)									
	General Reserve	Securities Premium	Investment Allowance Reserve	Reserves & Surplus	Capital Reserve	Retained earnings	Equity Instruments through other comprehensive income	Other items of other comprehensive income	Total	
Balance at April 1, 2017	22,77,766	22,59,18,281	6,60,700	13,09,890	2,44,39,844	17,11,23,465	-	-	42,57,29,946	
Changes in equity for the year ended March 31, 2018	-	-	-	-	-	-	-	-	-	
Transfer to General Reserve	-	-	-	-	-	-	-	-	-	
Equity instruments through other comprehensive income	-	-	-	-	-	-	-	-	-	
Changes in accounting policy / prior period errors	-	-	-	-	-	-	-	-	-	
Profit for the period	-	-	-	-	-	38,29,006	-	-	38,29,006	
Addition to capital reserve	-	-	-	-	-	-	-	-	-	
Balance as at March 31, 2018	22,77,766	22,59,18,281	6,60,700	13,09,890	2,44,39,844	17,49,52,471	-	-	42,95,58,952	
Changes in equity for the Period ended March 31, 2019	-	-	-	-	-	-	-	-	-	
Transfer to General Reserve	-	-	-	-	-	-	-	-	-	
Equity instruments through other comprehensive income	-	-	-	-	-	-	-	-	-	
Changes in accounting policy / prior period errors	-	-	-	-	-	-	-	-	-	
Profit for the period	-	-	-	-	-	65,87,095	-	-	65,87,095	
Addition to capital reserve	-	-	-	-	-	-	-	-	-	
Balance as at March 31, 2019	22,77,766	22,59,18,281	6,60,700	13,09,890	2,44,39,844	18,15,39,566	-	-	43,61,46,047	

Summary of significant accounting policies and the accompanying notes are an integral part of the financial statements.

**3) Notes to financial statements for the year ended March 31, 2019**  
 (All amounts in Indian Rupees, except for share data or as otherwise stated)

9. Property, Plant and Equipment & Intangible assets	Freehold Land	Electrical Equipment	Furnitures & Office Equipment	Plant & machinery I	Plant & machinery II	Furnances	Lab Equipment	Water Cool Moulds	Weight Equip-ment	Bore Well	Scoter & Mopeds	Generators	Teleph-ones	Com-puters	Vehicles	Buildings	Total tangible assets	
<b>Cost</b>																		
As at March 31, 2017	16,65,670	1,72,83,755	33,35,360	20,46,44,397	9,68,30,659	1,72,30,364	43,07,042	66,28,732	1,46,931	1,31,760	7,06,431	32,67,653	4,23,694	11,32,155	86,67,834	3,08,90,096	39,72,92,533	
Impact on IInd AS Transition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	11,68,233	37,24,500	1,32,804	-	-	-	-	-	-	-	43,523	11,96,921	-	62,65,981	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	16,65,670	1,72,83,755	33,35,360	20,58,12,630	10,05,55,159	1,72,30,364	44,39,846	66,28,732	1,46,931	1,31,760	7,06,431	32,67,653	4,23,694	11,75,678	98,64,755	3,08,90,096	40,35,58,514	
Additions	-	-	-	-	11,16,373	-	-	-	-	-	-	-	-	-	-	-	11,16,373	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	16,65,670	1,72,83,755	33,35,360	20,58,12,630	10,16,71,532	1,72,30,364	44,39,846	66,28,732	1,46,931	1,31,760	7,06,431	32,67,653	4,23,694	11,75,678	98,64,755	3,08,90,096	40,46,74,887	
<b>Depreciation / Amortization</b>																		
As at March 31, 2017	-	1,19,87,298	31,34,711	14,03,71,330	2,37,84,660	81,62,783	37,14,720	52,47,365	1,13,038	1,25,171	6,30,003	15,98,920	4,02,509	11,28,459	78,42,418	1,38,64,242	22,22,07,827	
Charge for the year	-	16,72,026	37,052	66,28,089	29,18,501	9,23,155	1,25,127	4,46,559	3,322	-	9,819	2,28,784	-	12,124	3,70,475	7,05,471	1,40,80,504	
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	-	1,36,59,324	31,71,763	14,69,99,419	2,67,03,361	90,85,938	38,39,847	56,93,924	1,16,360	1,25,171	6,39,822	18,27,704	4,02,509	11,40,583	82,12,893	1,46,69,713	23,62,88,331	
Charge for the period	-	12,65,020	31,628	65,13,673	30,56,388	9,23,155	79,810	3,10,488	3,322	-	9,819	2,28,784	-	-	3,67,500	7,05,471	1,34,95,058	
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	-	1,49,24,344	32,03,391	15,35,13,092	2,97,59,749	1,00,09,093	39,19,657	60,04,412	1,19,682	1,25,171	6,49,641	20,56,488	4,02,509	11,40,583	85,80,393	1,53,75,184	24,97,83,389	
<b>Net Block</b>																		
As at March 31, 2019	16,65,670	23,59,411	1,31,969	5,22,99,538	7,19,11,783	72,21,271	5,20,189	6,24,320	27,249	6,589	58,790	12,11,165	21,185	35,095	12,84,362	1,55,14,912	15,48,91,498	
As at March 31, 2018	16,65,670	36,24,431	1,63,987	5,88,13,211	7,38,51,798	81,44,428	5,99,999	9,34,008	30,571	6,589	66,609	14,39,949	21,185	35,095	16,51,862	1,62,20,383	16,72,70,183	
As at March 31, 2017	16,65,670	52,96,457	2,00,649	6,42,73,067	7,30,45,799	90,87,381	5,92,322	13,81,367	33,883	6,589	76,428	16,68,733	21,185	3,696	8,25,416	1,69,25,854	17,50,84,706	

**Notes to Financial Statement as at 31st Mar, 2019**
**4 Loans**

(Amounts in Rs.)

Particulars	As at	
	31 Mar 2019	31 Mar 2018
Security Deposits	94,08,911	2,15,05,091
	94,08,911	2,15,05,091

**5 Other Non-Current Assets**

Particulars	As at	
	31 Mar 2019	31 Mar 2018
<b>Advances Other than capital advances</b>		
Other Advances	6,55,51,952	11,50,91,434
Misc Expenditure not written off	5,70,000	7,30,000
	<b>6,61,21,952</b>	<b>11,58,21,434</b>

**6 Inventories**

Particulars	As at	
	31 Mar 2019	31 Mar 2018
Raw materials	-	-
Work-in-progress	10,29,63,950	10,45,19,606
Consumables, Stores and Spares	1,80,66,214	2,04,78,087
<b>Total</b>	<b>12,10,30,164</b>	<b>12,49,97,694</b>

**7 Trade Receivables**

Particulars	As at	
	31 Mar 2019	31 Mar 2018
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured and considered good	13,27,25,343	10,21,40,139
<b>Other Receivables</b>		
Unsecured and considered good	24,63,80,185	14,65,35,151
	<b>37,91,05,528</b>	<b>24,86,75,290</b>

**8 Cash and Cash Equivalents**

Particulars	As at	
	31 Mar 2019	31 Mar 2018
<b>Cash &amp; Cash Equivalents :</b>		
Balances with Banks		
In Current Accounts	1,99,10,297	2,44,80,381
Cash on hand	61,312	7,66,708
	<b>1,99,71,609</b>	<b>2,52,47,089</b>

**Notes to Financial Statement as at 31st Mar, 2019**
**9 Current Tax Assets**
*(Amounts in Rs.)*

Particulars	As at	
	31 Mar 2019	31 Mar 2018
a) Advance Income Tax(Includes TDS Receivable)	16,71,280	20,70,250
b) CENVAT Credit(Including of Capital Goods & PLA Amount)	1,847	1,847
c) Rebate of Excise Duty Receivable	5,01,942	86,243
d) GST Receivable	87,50,194	2,49,20,280
	<b>1,09,25,263</b>	<b>2,70,78,620</b>

**10 Other Current Assets**

Particulars	As at	
	31 Mar 2019	31 Mar 2018
a) Security Deposits with customers	12,23,656	17,97,439
b) Advances to Employees	11,700	49,700
c) Advances to Suppliers	1,68,11,078	70,31,550
d) Interest Accrued	73,68,513	30,38,353
e) Export incentives under MEIS	22,07,653	21,38,825
f) Other Advances	12,42,222	10,38,350
g) Factory workers Loan	36,000	16,580
	<b>2,89,00,822</b>	<b>1,51,10,797</b>

**11 Share Capital:**

Particulars	As at	
	31 Mar 2019	01 Mar 2018
<b>Authorised Capital</b>		
25,000,000 (March 31, 2018: 25,000,000) Equity shares of Rs. 10/- each	25,00,00,000	25,00,00,000
<b>Issued, subscribed &amp; fully paid up Capital</b>		
14318975 (March 31, 2018: 14318975) Equity shares of Rs. 10/- each	14,31,89,750	14,31,89,750
Less: Calls Unpaid by others	5,88,451	5,88,451
[Rs.588,451 (Previous Year March 31,2018 Rs.588,451)]		
<b>a. Total</b>	<b>14,26,01,299</b>	<b>14,26,01,299</b>

**Terms/ rights attached to the equity shares:**

- i) The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.
- ii) The Company did not declare any dividend during the accounting period under reporting.
- iii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in proportion to the number of equity shares held by the share holders.



- b iv) No shares have been issued for consideration other than cash during the immediately preceding five years from the end of the reporting period.

**Reconciliation of equity shares outstanding as at the beginning and at the end of the reporting Period:**

Particulars	As at	
	31 Mar 2019	31-Mar-18
	No. of Shares	No. of Shares
<b>Equity shares</b>		
Ordinary equity shares		
Shares at the beginning of the year	1,43,18,975	1,43,18,975
Issued during the year		
<b>Shares outstanding as at end of the period</b>	<b>1,43,18,975</b>	<b>1,43,18,975</b>

**Details of Shareholders holding more than 5% Shares in the Company**

Name of the Shareholder	As at			
	31 Mar 2019		31 Mar 2018	
	No. of Shares	% of holding	No. of Shares	% of holding
<b>Ordinary equity shares</b>				
1. Cubex Securities Ltd	18,67,395	13.04%	18,67,395	13.04%
2. Nadol Trading Pvt Ltd	21,25,000	14.84%	21,25,000	14.84%
3. Mavv Trading Pvt Ltd	16,25,000	11.35%	16,25,000	11.35%
4. Swarnim Avenues Pvt Ltd	20,00,000	13.97%	20,00,000	13.97%
5. Enspire Institute of Prof Studies	11,50,000	8.03%	11,50,000	8.03%
6. DIPALKANAYALALSHAH	8,00,000	5.59%	8,00,000	5.59%



**Notes to the Financial Statements**
**12 Other Equity**
*(Amounts in Rs.)*

Particulars	As at	
	31 Mar 2019	31st Mar 2018
<b>Securities Premium</b>		
As per last Balancesheet	22,59,18,281	22,59,18,281
<b>Investment Allowance Reserve</b>		
As per last Balancesheet	6,60,700	6,60,700
<b>Subsidy</b>		
As per last Balancesheet	13,09,890	13,09,890
<b>Capital Reserve</b>		
As per last Balancesheet	2,44,39,844	2,44,39,844
<b>Revenue Reserves</b>		
As per last Balancesheet	22,77,766	22,77,766
<b>Retained Earnings/ (Surplus)</b>		
<b>Surplus/(deficit) in the statement of profit and loss:</b>		
Balance as at the beginning of the year	17,49,52,471	17,11,23,465
Add: change to profit / (loss) for the year	65,87,095	38,29,006
<b>Balance as at the end of the year</b>	<b>18,15,39,565</b>	<b>17,49,52,471</b>
<b>Total</b>	<b>43,61,46,046</b>	<b>42,95,58,952</b>

**13 Borrowings- Non Current**

Particulars	As at	
	31 Mar 2019	31st Mar 2018
i) From other parties		
Sales Tax Deferment(Opening)	89,37,070	2,14,85,413
Less: Current Maturities	89,37,070	1,25,48,343
	-	89,37,070
<b>Total</b>	<b>-</b>	<b>89,37,070</b>

**14 DEFERRED TAX LIABILITIES (NET) : (Current)**

Particulars	As at	
	31 Mar 2019	31st Mar 2018
At the start of the year	1,02,10,372	1,00,92,763
Charge/(credit) to Statement of Profit and Loss	(9,40,249)	1,17,609
<b>At the end of year</b>	<b>92,70,123</b>	<b>1,02,10,372</b>

**15 Borrowings- Current**

Particulars	As at	
	31 Mar 2019	31st Mar 2018
Loans repayable on Demand		
From Banks	4,79,83,851	5,03,32,048
Unsecured,		
Loans from related parties repayable on demand	-	-
	<b>4,79,83,851</b>	<b>5,03,32,048</b>

**16 Trade Payables**

Particulars	As at	
	31 Mar 2019	31st Mar 2018
Trade Payables	13,16,38,698	8,05,79,814
	<b>13,16,38,698</b>	<b>8,05,79,814</b>

**17 Other Financial Liabilities**

Particulars	As at	
	31 Mar 2019	31st Mar 2018
Current Maturities of Long-term debt	89,37,070	1,25,48,343
	<b>89,37,070</b>	<b>1,25,48,343</b>

**18 Other Current Liabilities**

Particulars	As at	
	31 Mar 2019	31st Mar 2018
Outstanding Expenses Payable	38,53,574	34,54,416
Creditors for capital Goods	8,46,690	36,83,171
Creditors for Expenses	67,55,720	20,52,186
Professional Tax Payable	2,200	1,050
	<b>1,14,58,184</b>	<b>91,90,823</b>

**19 Provisions- Current**

Particulars	As at	
	31 Mar 2019	31st Mar 2018
Provisions for Employee Benefits		
PF Payable	98,626	78,991
ESI Payable	38,115	28,635
Salaries Payable	7,75,216	6,00,184
Others		
Statutory Liabilities	63,232	1,10,607
	<b>9,75,189</b>	<b>8,18,417</b>

**20 Current Tax Liabilities**

Particulars	As at	
	31 Mar 2019	31st Mar 2018
Provision For Income Tax	13,45,286	9,29,060
	<b>13,45,286</b>	<b>9,29,060</b>

**Notes to Financial Statement as at 31st Mar, 2019**
**21 Revenue From operations**
*(Amounts in Rs.)*

Particulars	For the year ended 31st Mar 2019	For the year ended 31st Mar 2018
(a) Sale of Products“(Copper and Copper Alloys Products)”	88,43,14,106	51,66,53,849
(b) Job Work Charges	10,52,715	1,03,63,011
	88,53,66,822	52,70,16,860
Less:Excise Duties & Service tax Collected	-	1,27,30,502
VAT,CST & GST Collected	13,68,36,932	47,00,563
	-	-
	<b>74,85,29,890</b>	<b>50,95,85,795</b>

**22 Other Income**

Particulars	For the year ended 31st Mar 2019	For the year ended 31st Mar 2018
Interest Income	1,40,00,171	1,42,69,172
Misc Income	31,56,482	28,48,254
Foreign Exchange Gain/(Loss)	27,71,834	27,39,021
Discount Received	-	50,40,809
	<b>1,99,28,487</b>	<b>2,48,97,256</b>

**23 Cost of Materials consumed**

Particulars	For the year ended 31st Mar 2019	For the year ended 31st Mar 2018
Opening Stock of Raw Materials	-	-
Add: Purchases During the year	64,85,87,324	50,06,15,844
Less: Closing Stock of Raw material	-	-
	<b>64,85,87,324</b>	<b>50,06,15,844</b>

**24 Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	For the year ended 31st Mar 2019	For the year ended 31st Mar 2018
<b>Finished Goods</b>		
Finished goods at the beginning of the year	-	-
Less: Finished goods at the end of the year	-	-
<b>Sub Total (A)</b>	-	-
<b>Work in Progress</b>		
Finished goods at the beginning of the year	10,45,19,606	4,74,38,625
Less: Finished goods at the end of the year	10,29,63,950	10,45,19,606
<b>Sub Total (B)</b>	<b>15,55,656</b>	<b>(5,70,80,981)</b>
<b>Increase or Decrease in Inventories - (A - B)</b>	<b>15,55,656</b>	<b>(5,70,80,981)</b>

**Notes to Financial Statement as at 31st Mar, 2019**
**25 Employee Benefit Expenses**

(Amounts in Rs.)

Particulars	For the year ended 31st Mar 2019	For the year ended 31st Mar 2018
(a) Salaries & Wages	83,83,297	87,21,159
(b) Contribution to Provident & Other Funds	8,78,809	10,45,135
(c) Staff Welfare Expenses	3,96,913	88,992
<b>Total</b>	<b>96,59,019</b>	<b>98,55,286</b>

**26 Other Manufacturing Expenses**

Particulars	For the year ended 31st Mar 2019	For the year ended 31st Mar 2018
a) Consumption of Stores & Spares	2,49,48,581	51,19,522
b) Power & Fuel	3,89,22,127	3,35,38,596
c) Bad Debts	16,81,850	-
d) Repairs to Building	-	1,60,747
e) Repairs to Machinery	8,79,507	7,78,135
f) Insurance	4,34,423	4,15,396
g) Rates & Taxes (Excluding Income Tax)	5,59,957	10,47,544
h) Transportation(Clearing and Forwarding Charges)	20,31,166	23,30,686
i) Other Manufacturing Expenditure	14,14,645	22,37,371
j) Payments to contractors	29,44,287	23,38,017
k) Miscellaneous Expenses W/o	1,60,000	1,60,000
<b>Total</b>	<b>7,39,76,543</b>	<b>4,81,26,013</b>

**27 Finance Costs**

Particulars	For the year ended 31st Mar 2019	For the year ended 31st Mar 2018
a) Interest Expenses		
- Interest on Vehicle Finance	-	-
- Interest on Cash Credit & Packing Credit	48,06,777	25,57,154
- Loan Processing Charges & Bank Charges	2,28,565	5,54,378
	-	-
<b>Total</b>	<b>50,35,342</b>	<b>31,11,532</b>



## Notes to Financial Statement as at 31st Mar, 2019

## 28 Other Expenses

(Amounts in Rs.)

Particulars	For the year ended 31st Mar 2019	For the year ended 31st Mar 2018
a) Communication Expenses	2,59,968	2,80,931
b) Business Promotion Expenses	73,940	1,03,828
c) Sales Commission	20,40,000	12,15,692
d) Frieght Outward	10,87,541	17,48,779
e) Travelling and Conveyance	2,36,315	1,03,026
f) Office Maintenance	-	16,408
g) Printing & Stationery Expenses	44,861	52,389
h) Security Charges	2,53,880	3,85,603
i) Rates & Taxes (excluding Income Tax)	2,500	2,500
j) Managerial Remuneration	24,00,000	24,00,000
k) Consultancy Charges	56,500	30,543
l) AGM Fees	96,231	97,093
m) Office Rent & Others	4,09,932	1,96,163
n) General Expenses	2,74,962	2,98,009
o) Interest On Late Payment of Taxes	4,70,893	11,74,930
p) Vehicle maintenance	1,11,085	1,27,461
q) Professional and Annual Fee Etc	7,00,441	2,58,949
r) Commission to Foreign Agents	3,93,062	22,31,318
s) Brokerage	86,192	16,554
t) Donation	1,00,000	1,00,000
u) Payment to auditors		
i) As Auditor	59,000	59,000
<b>Total</b>	<b>91,57,303</b>	<b>1,08,99,178</b>

## 29. Related Party Disclosures:

Particulars of Related Parties:

Name of the Related Party	Nature of Relationship
Mr. P.R.Bhandari	Managing Director
Mr. Virendra Bhandari	Executive Director
Dr. Trilok Singh	Director
Mr. Mahendra Ranka	Director
Mr. Sandeep Kumar	Director
Mrs. Veena Bhandari	Director Admin
Mr. Siva Prasad Sarva	Chief Financial Officer
Cubex Securities Ltd	Entity controlled by management
Mavv trading pvt ltd	Entity controlled by management
Nadol trading pvt ltd	Entity controlled by management

Transactions with related parties during the year (Director Remuneration):

Name of the Party	Nature of Relationship	Nature of	2018-19 (Rs.)	2017-18 (Rs. )
		Transaction		
Mr. P.R.Bhandari	Managing Director & CEO	Remuneration	9,00,000	9,00,000
Mr. Virendra Bhandari	Executive Director	Remuneration	9,00,000	9,00,000
Mrs. Veena Bhandari	Director Admin	Remuneration	6,00,000	6,00,000

**NOTES TO FINANCIAL STATEMENTS**

Name of the party	Nature of Transaction	Opening Balance as on 01.04.2018	During the year transaction	Closing Balance as on 31.03.2019
CUBEX SECURITIES LTD	SHARES	4,53,740	(32,500)	4,21,240
MAVV TRADING PVT LTD	TRADING	7,22,170	(7,210)	7,14,960
NADOL TRADING PVT LTD	TRADING	2,32,170	(6,950)	2,25,220

**30. Contingent Liabilities: (Rs.)**

		As at 31-03-2019	As at 31-03-2018
Bank Guarantee (Performance of Product & towards the Security)	State Bank of Hyderabad, Axis Bank	1,95,96,089	2,22,21,257

**31. Foreign Exchange Earnings and Outflow:**

Particulars	Year 2018-19		Year 2017 -18	
	Amount in Foreign Currency	Amount in Rupees	Amount in Foreign Currency	Amount in Rupees
<b>EARNINGS</b>				
On Export of Goods	\$15,05,237	10,10,20,125	\$11,77,275	7,50,19,190
<b>OUTFLOW</b>	\$35,596	24,54,489	\$2,99,030	1,93,71,969
<b>Raw Materials /Equipment</b>	-	-	<b>€ 43,848</b>	<b>32,94,382</b>

**32. Earnings per Share:**

Particulars	Year 2018-19	Year 2017 -18
Net profit after tax (Rs.)	65,87,095	38,29,006
Weighted Average Numbers of shares	1,43,18,975	1,43,18,975
Basic EPS (Rs.)	0.46	0.27
Diluted EPS (Rs.)	0.46	0.27

33. Segment wise information is not furnished as the company operates in only one segment viz. Copper & Copper Alloy Products.

34. Closing Balances of Debtors / Creditors / Loans & Advances are subjected to confirmation from the Parties.

35. There are no dues to SSI Units outstanding for more than 45 days.

36. Previous year's figures have been regrouped wherever necessary.

37. The Figures have been rounded off to the nearest rupee.

**SIGNATURE TO NOTES 1 To 37**

As Per our Report of Even Date  
**For P C N & Associates.,**  
 (Formerly Chandra Babu Naidu & Co.,)  
 Chartered Accountants  
 FRN. 016016S

For And on Behalf of The Board  
**For Cubex Tubings Limited**

**M Naveen**  
 Partner  
 M No. 237316

**P. R. Bhandari**  
 Managing Director

**Virendra Bhandari**  
 Executive Director

Place: Hyderabad  
 Date : 30-05-2019

**Siva Prasad Sarva**  
 Chief Financial Officer



**CUBEX TUBINGS LIMITED**

1-7-27 to 34, Shyam Towers, S.D.Road, Secunderabad - 500 003.

**Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**CIN** : **L27109TG1979PLC002504**

**Name of the company** : **CUBEX TUBINGS LTD**

**Registered office** : 1-7-27 to 34, Shyam Towers, S.D.Road, Secunderabad - 500 003, Telangana, India

<b>Name of the member (s):</b>	
<b>Registered address:</b>	
<b>E-mail Id:</b>	
<b>Folio No/ Client Id:</b>	
<b>DP ID:</b>	

I/We, being Member /Members of Cubex Tubings Limited hereby appoint

1. Name: .....	2. Name: .....	3. Name: .....
Address: .....	Address: .....	Address: .....
.....	.....	.....
E-Mail ID.....	E-Mail ID.....	E-Mail ID.....
Signature..... Or failing him	Signature..... Or failing him	Signature..... Or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 40<sup>th</sup> Annual general meeting of the company, to be held on the Saturday, 28<sup>th</sup> Day of September 2019, at 10.30 a.m. at Hotel Raj Comfort Inn, Near Paradise, Opposite HDFC Bank, Secunderabad-500 003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
<b>Ordinary Business</b>	
1.	To receive, consider and adopt the Audited Balance Sheet as at 31st March 2019 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. Veena Bhandari who retires by rotation and being eligible offers herself for reappointment
<b>Special Business</b>	
3.	Appointment of Mr. Dipen Sajjan Sanghvi (DIN: 08476459), as Director of the Company
4.	Appointment of Mr. Vipul Kumar Jain (DIN: 08476476), as Director of the Company
5.	Appointment of Mr. Dipen Sajjan Sanghvi (DIN: 08476459), as Independent Director of the Company
6.	Appointment of Mr. Vipul Kumar Jain (DIN: 08476476), as Independent Director of the Company

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019



Signature of Shareholder \_\_\_\_\_ Signature of Proxy holder (s) \_\_\_\_\_

**Note:**

- a. Proxy need not be a member of the Company.
- b. The Proxy Form duly filled in and signed by the Member(s) across the revenue stamp should reach the Company's Registered Office at least 48 hours before the commencement of the meeting.
- c. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.





**CUBEX TUBINGS LIMITED**

**40<sup>th</sup> Annual Report 2018-19**

**CUBEX TUBINGS LIMITED**

1-7-27 to 34, Shyam Towers, S.D.Road, Secunderabad - 500 003.

**40<sup>th</sup> Annual General Meeting – Saturday – 28<sup>th</sup> September 2019**

**Attendance Slip**

**Folio no. / DPID and Client ID no:**

**No. of shares**

Name and address of First/sole  
shareholder:

I, hereby record my presence at the 40<sup>th</sup> Annual General Meeting of the Company to be held on Saturday, September 28, 2019 at 10.30 a.m. at Hotel Raj Comfort Inn, Near Paradise, Opposite HDFC Bank, Secunderabad-500 003.

\_\_\_\_\_  
Name of the Member/Proxy  
(Block Letters)

\_\_\_\_\_  
Signature of the Member/Proxy

**Notes:**

- a. **Only Member/Proxy can attend the Meeting. No minors would be allowed at the Meeting.**
- b. **Member/Proxy who wish to attend the Meeting must bring this attendance slip to the Meeting and hand over at the entrance duly filled in and signed.**
- c. **Member/Proxy should bring his/her copy of the Annual Report for reference at the Meeting.**

**REGD.POST/COURIER**

*If undelivered, please return to :*



**CUBEX TUBINGS LIMITED**

Regd. Office : 1-7-27 to 34, Shyam Towers, S.D.Road,  
Secunderabad - 500 003, Telangana, India