



CUBEX TUBINGS LIMITED



39th Annual Report  
2017-18



**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)
Dr. Trilok Singh	:	Independent Director	(DIN: 06469426)
Mr. Mahendra Kumar Ranka	:	Independent Director	(DIN: 01268256)
Mr. Sandeep Kumar	:	Independent Director	(DIN: 05192591)

**CHIEF FINANCIAL OFFICER**

Mr. Siva Prasad Sarva

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. Aarthi Consultants Pvt. Ltd.,  
1-2-285, Domalguda, Hyderabad - 500 029  
Tel. No.: 0091-40-2763 8111, 2763 4445  
Fax :0091-40-2763 2184  
Website: [www.aarthiconsultants.com](http://www.aarthiconsultants.com)  
Email: [info@arthiconsultants.com](mailto:info@arthiconsultants.com)

**LISTING AT**

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

## NOTICE

NOTICE is hereby given that the 39<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Friday, the 28<sup>th</sup> September, 2018 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 2018 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 Ms. Veena Bhandari (DIN: 03570489) who retires by rotation and being eligible offers her-self for reappointment.
3. To consider and if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:

#### **To ratify the appointment of Statutory Auditors**

RESOLVED THAT pursuant to Section 139(2) of the Companies Act 2013 & subject to Companies (Audit & Auditors) Rules 2014, the re-appointment of M/s. P C N & Associates., (FRN: 016016S), (formerly M/s. Chandra Babu Naidu & Co.,) Chartered Accountants, Hyderabad as Statutory Auditors of the Company from the Conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting be and is hereby ratified at a remuneration as may be decided by the Board of Directors of the Company

### SPECIAL BUSINESS:

4. **To consider and if thought fit, to pass, with or without modifications, the following resolution as Special Resolution:**  
**Appointment of Mr. Virendra Bhandari (DIN: 00062228), as Executive Director of the Company**

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act 2013 and the Rules made thereunder (including any statutory modification(s) re-enactments thereof for the time being in force) read with Schedule V of the Companies Act, 2013, and subject to approval of the Central Government or other Government authority, if any and subject to such other approvals and consents as may be necessary, approval of the members be and is hereby accorded to appoint Mr. Virendra Bhandari (DIN: 00062228), as Executive Director of the Company for a period of five years w.e.f. 1<sup>st</sup> October 2017 at the existing terms and conditions.

RESOLVED FURTHER THAT all other benefits, amenities and perquisites shall be allowed and paid to him as minimum remuneration during the tenure of him office, notwithstanding the absence or inadequacy of profits for any financial year, but shall not, in any financial year, exceed the ceiling laid down in this behalf in schedule V of the Companies Act, 2013 including amendments made thereto from time to time.

RESOLVED FURTHER THAT the Remuneration committee be and is hereby authorized to review and also to determine performance linked incentives including commission, either on quarterly, half yearly basis, considering the maximum remuneration payable under sections 196, 197 and 203 and schedule V of the Companies Act, 2013.

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".

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

PLACE: HYDERABAD  
DATE: 01.09.2018

**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 Saturday, 22<sup>nd</sup> September 2018 to Friday 28<sup>th</sup> September 2018 (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 2018 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 Tuesday, 25<sup>th</sup> September 2018 and will end at 5.00 p.m. on Thursday, 27<sup>th</sup> September 2018. 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 Tuesday, 25<sup>th</sup> September 2018 at 10.00 A.M. and ends on Thursday, 27<sup>th</sup> September 2018 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 2018, 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:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <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 Thursday, 27<sup>th</sup> September 2018.
- (xxi) The results shall be declared on or before 2<sup>nd</sup> October 2018. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.
- Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Aarthi Consultants Private Limited / Investor Service Department of the Company immediately.
  - 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. Aarthi Consultants Private Limited / Investor Service Department of the Company.
  - 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.
  - 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>	46 Years
<b>Expertise in Specific functional areas</b>	Business Activities
<b>List of other Public Companies in which Directorships held as on 31.03.2018.</b>	1
<b>Chairman/Member of the Committees of other Companies in which he is a Director as on 31.03.2018.</b>	Nil

<b>Name of the Director</b>	Smt. Veena Bhandari
<b>Date of Appointment (first appointment)</b>	30 <sup>th</sup> March 2015
<b>Date of Birth/Age</b>	43 Years
<b>Expertise in Specific functional areas</b>	Business Activities
<b>List of other Public Companies in which Directorships held as on 31.03.2018.</b>	1
<b>Chairman/Member of the Committees of other Companies in which he is a Director as on 31.03.2018.</b>	Nil

**Explanatory Statement**

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

**Item No. 4:**

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

Sri. Virendra handari was initially introduced to the Company as the Director w.e.f 12<sup>th</sup> January 2012. Thereafter he was elevated as the Executive Director of the Company. His term as Executive Director is due for renewal. Now it is proposed to appointment for a further period of five years with the existing terms and conditions.

As per the provisions of Companies Act 2013 and Schedule V of the Companies Act, 2013, appointment / reappointment of Sri. Virendra Bhandari, requires the approval of the members in the General meeting. Hence, the above resolution at item no.4 is submitted to the meeting for ratification by the members of the Company.

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

None of the Directors and Key Managerial Persons of the Company except Sri. P R Bhandari and Smt. Veena Bhandari (being the relative of proposed appointee) to the extent of the appointment 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 39<sup>th</sup> Annual Report of the Company together with the audited accounts for the year ended 31<sup>st</sup> March 2018.

### FINANCIAL RESULTS

(in Lakhs)

	Year ended 31.03.2018	Year ended 31.03.2017
Income from operations	5095.86	4550.58
Other Income 248.97	210.12	
Total Expenditure	5124.16	4544.11
Interest & Bank Charges	31.11	24.20
Depreciation & Amortization of Exp.	140.80	146.69
Provision for Tax	10.46	10.27
Net Profit	38.29	35.43

### 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. 5344.83 lakhs** for 2017-18 as compared to **Rs. 4760.60 lakhs** for 2016-17 and the company posted a net profit of **Rs. 38.29 lakhs** for 2017-18 as compared to **Rs. 35.43 lakhs** for 2016-17.

### 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 2018, 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.
- (c) Foreign exchange earnings: Rs. 750.19 Lakhs
- (d) Foreign exchange out go: Rs. 226.66 Lakhs

#### **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 be 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 subject to ratification at every Annual General Meeting.

In this regard, Board of Directors of the Company (on recommendation of Audit Committee) in its meeting held on 1st September 2018, has, proposed to ratify the re-appointment of the said Statutory Auditors from the conclusion from this AGM till the conclusion of next AGM.

#### **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 2017-2018.

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

30<sup>th</sup> May 2017, 1<sup>st</sup> September 2017, 14<sup>th</sup> September 2017, 14<sup>th</sup> December 2017, and 13<sup>th</sup> February 2018.

#### **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, 2018 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, 2018, 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 is 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**

PLACE: Hyderabad.  
DATE: 01.09.2018

**P.R.BHANDARI**  
Executive Director

**VIRENDRA BHANDARI**  
Managing Director

**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 AND PLANS

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

There is a huge market for supply of specialised copper & Nickel tubes for desalination Plants in Middle East. This opens a new segment which holds lot of promises in International Markets. 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 31<sup>ST</sup> MARCH, 2018

(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 31<sup>st</sup> March, 2018 generally complied with the statutory provisions listed hereunder 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 31<sup>st</sup> March, 2018 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 / intimations 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  
September 01, 2018

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.

**'Annexure A'**

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 not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. 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.
6. 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  
September 01, 2018

FCS No: 21717, CP No: 8735