



CUBEX TUBINGS LIMITED



34th Annual Report  
2012-2013





## CUBEX TUBINGS LIMITED

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### **BOARD OF DIRECTORS**

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

### **BANKERS-**

INDUSIND BANK LIMITED  
STATE BANK OF HYDERABAD  
AXIS BANK LIMITED

### **AUDITORS**

M/S. P.MURALI & CO.,  
CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082.

### **SOLICITORS**

MR. M.V.S. PRASAD

### **REGISTERED OFFICE**

1-7-27 to 34, SHYAM TOWERS,  
S.D.ROAD,  
SECUNDERABAD - 500 003.  
ANDHRA PRADESH, INDIA

Tel. No. 0091-40-27817440, 27817436

Fax No. 0091-40-27812569

Email: [cubex@rediffmail.com](mailto:cubex@rediffmail.com)

[www.cubextubings.com](http://www.cubextubings.com)

### **PLANT**

1. NEAR 5<sup>TH</sup> PHASE, S.NO.464, 482  
PATHANCHERU, A.P.
2. C-4, IDA, PHASE -1,  
PATHANCHERU

### **SHARE TRANSFER AGENTS**

M/S. AARTHI CONSULTANTS PVT. LTD.,  
1-2-285, DOMALGUDA,  
HYDERABAD - 500 029  
TEL. NO.: 0091-40-2763 8111, 2763 4445  
FAX :0091-40-2763 2184

Website: [www.aarthiconsultants.com](http://www.aarthiconsultants.com)

Email: [info@arthiconsultants.com](mailto:info@arthiconsultants.com)

### **LISTING AT**

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



**NOTICE**

NOTICE is hereby given that the 34<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Saturday, the 28<sup>th</sup> September, 2013 at 10.45 A.M at Hotel Raj Comfort Inn, Near Paradise, Opposite HDFC Bank, Secunderabad-500 003 to consider the following Business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2013 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. Mahendra Kumar Ranka who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Sandeep Kumar who retires by rotation and being eligible offers himself for reappointment.
4. To re-appoint M/s. P. Murali & Co., Chartered Accountants, Hyderabad as Statutory Auditors of the Company and to fix their remuneration.

**SPECIAL BUSINESS:**

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

**Appointment of Dr. Trilok Singh as Director of the Company**

“RESOLVED THAT Dr. Trilok Singh, who was appointed by the Board of Directors as an Additional Director with effect from 17<sup>th</sup> December 2012 and who holds the office of Director up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

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

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

PLACE: HYDERABAD

DATE: 30.08.2013

**P.R.BHANDARI**  
MANAGING DIRECTOR

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE THEREAT INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. An instrument appointing proxy to be effective must be lodged at the Registered Office of the Company at least 48 hours before the meeting.
3. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is herewith annexed.
4. The Register of Members / Register of Beneficiaries and Share Transfer Books of the Company will remain closed from **26<sup>th</sup> September 2013 to 28<sup>th</sup> September 2013** (both days inclusive).
5. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
6. Members holding shares in physical form are requested to notify / send any change in their address to the Company's Share Transfer Agents, or to the Company at its registered office.
7. Members holding shares in dematerialization form are requested to notify/send any change in their address to the concerned depository participant (s).
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Section 109A of the Companies Act, 1956 extends the nomination facility to individual shareholders of the company. Therefore, the shareholders willing to avail this facility may make nomination in form 2B.
10. Shareholders / proxies should bring duly filled attendance slips sent herewith for attending the meeting along with the copies of Annual Reports to the Annual General Meeting.
11. **Brief Details of Directors seeking reappointment at this Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)**

<b>Name of the Director</b>	<b>Sri. Mahendra Kumar Ranka</b>
<b>Date of Appointment</b>	12 <sup>th</sup> January 2012
<b>Date of Birth/Age</b>	50 Years
<b>Expertise in Specific functional areas</b>	Business Activities
<b>List of Companies in which Directorships held as on 31.03.2013.</b>	1
<b>Chairman/Member of the Committees of other Companies in which he is a Director as on 31.03.2013.</b>	Nil
<b>Name of the Director</b>	<b>Sri. Sandeep Kumar</b>
<b>Date of Appointment</b>	25 <sup>th</sup> August 2012
<b>Date of Birth/Age</b>	27 Years
<b>Education Qualification</b>	He holds Bachelor's Degree in Commerce.
<b>List of Companies in which Directorships held as on 31.03.2013.</b>	Nil
<b>Chairman/Member of the Committees of other Companies in which he is a Director as on 31.03.2013.</b>	Nil



<b>Name of the Director</b>	<b>Dr. Trilok Singh</b>
<b>Date of Appointment</b>	17 <sup>th</sup> December 2012
<b>Date of Birth/Age</b>	70 Years
<b>Education Qualification</b>	He holds Bachelor's Degree in Engineering (Metallurgy) & awarded Ph.D. from Benaras Hindu University.
<b>Expertise in Specific functional areas</b> He has vast experience in the process of OFE process of high temperature corrosion resistance	He is retired as scientist "G" from DMRL, Hyderabad. copper & Copper based alloys and expertise in the materials for marine applications.
<b>List of Companies in which Directorships held as on 31.03.2013.</b>	Nil
<b>Chairman/Member of the Committees of other Companies in which he is a Director as on 31.03.2013.</b>	Nil

**Explanatory Statement**

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

**Item No. 5:****Appointment of Sri. Trilok Singh as Director of the Company**

Sri. Trilok Singh was appointed as Additional Director in the Board Meeting held on 17<sup>th</sup> December 2012. As per the provisions of Section 260 of the Companies Act, 1956, he holds the office only up to the date of ensuing Annual General Meeting of the Company and is eligible for appointment as Director. The Company has received notice under Section 257 of the Companies Act, 1956, proposing his candidature to the office of Director of the Company, along with the requisite deposit of Rs. 500/-. The approval of members is required for his appointment as Director.

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

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

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

PLACE: HYDERABAD  
DATE: 30.08.2013

**P.R.BHANDARI**  
MANAGING DIRECTOR

**DIRECTORS' REPORT**

To  
The members of

**M/s. CUBEX TUBINGS LIMITED**

The directors have pleasure in presenting the 34<sup>th</sup> Annual Report of the Company together with the audited accounts for the year ended 31<sup>st</sup> March 2013.

**FINANCIAL RESULTS****(in Lakhs)**

	<b>Year ended 31.03.2013</b>	<b>Year ended 31.03.2012</b>
<b>Income from operations</b>	<b>3824.98</b>	<b>5542.35</b>
<b>Other Income</b>	<b>137.72</b>	<b>44.30</b>
<b>Total Expenditure</b>	<b>3752.24</b>	<b>5359.66</b>
<b>Interest</b>	<b>4.65</b>	<b>13.77</b>
<b>Depreciation &amp; Amortization of Exp.</b>	<b>174.39</b>	<b>147.64</b>
<b>Provision for Tax</b>	<b>28.96</b>	<b>31.34</b>
<b>Net Profit</b>	<b>2.46</b>	<b>34.26</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 and Electrical Equipment industries.

**OPERATIONS**

Your company has registered a total income of Rs. 3962.70 lakhs for 2012-13 as compared to Rs. 5586.66 for 2011-12 and the company posted a net profit of Rs. 2.46 lakhs for 2012-13 as compared to Rs. 34.26 lakhs for 2011-12. The fall in profitability is due to:

- i increase in the cost of raw materials, overheads viz., power charges, wages and salaries, maintenance of plant and mainly due to recession in the copper market.
- ii Continues power holidays during week days declared by the state Government of Andhra Pradesh, and due to frequent Bandhs called by the political parties, the Company could not utilize the full capacity of the plant.

**DIVIDEND**

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

**PUBLIC DEPOSITS**

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

**SHARE CAPITAL**

Out of 1,25,91,600 share warrants allotted on 10<sup>th</sup> November 2011 to the persons belonging to promoter group & other than promoter group, 45,00,000 Equity shares were allotted on 31<sup>st</sup> March 2012 and 24,10,575 Equity shares were allotted on 6<sup>th</sup> May 2013 by conversion of equal number of warrants. Accordingly promoter holding has increased from 39.22% to 44.14% and balance 56,81,025 warrants were lapsed.

**DEMAT SUSPENSE ACCOUNT UNCLAIMED SHARES**

As on 31<sup>st</sup> March 2013, there were no Equity Shares of Shareholders were lying in the Escrow Account due to non-availability of the correct particulars.

**CORPORATE GOVERNANCE**

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

**MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT**

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



## CUBEX TUBINGS LIMITED

### ADDITIONAL INFORMATION AS REQUIRED U/ S 217(1) (e) OF THE COMPANIES ACT, 1956

- (a) Conservation of Energy:  
The Company is monitoring the consumption of energy and is identifying measures for conservation of energy.
- (b) (i) Technology Absorption, adaptation and innovation:- 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. 55.02 Lakhs
- (d) Foreign exchange out go: Rs. 182.64 Lakhs

### PARTICULARS OF EMPLOYEES

The Directors are to report that none of the employee was in receipt of remuneration exceeding the limit prescribed under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 2011.

### DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 217 (2AA) of the Companies Act, 1956, your Directors hereby confirm that -

- i) That in the preparation of the Annual Accounts, for the year ended 31st March, 2013, the applicable accounting standards have been followed and there are no material departures;
- ii) We have selected appropriate accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2013 and of the profit/loss of the company for the financial year ended 31st March, 2013;
- iii) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) We have prepared the annual accounts for the financial year ended 31st March, 2013 on a going concern basis.

### DIRECTORS

In the 33<sup>rd</sup> Annual General Meeting held on 28<sup>th</sup> September 2012 Mr. Mahendra Kumar Ranka, Mr. Sandeep Kumar and Mr. Narasimha Murthy were re-appointed as the Directors of the Company and, Mr. Virendra Bhandari, was appointed as Executive Director w.e.f. 12<sup>th</sup> January 2012.

During the period under review, Mr. Trilok Singh was appointed as Additional Directors in the Board Meeting held on 17<sup>th</sup> December 2012. As per the provisions of Section 260 of the Companies Act, 1956, he holds the office only up to the date of this Annual General Meeting of the Company and is eligible for re-appointment as Director. The Company has received notice under Section 257 of the Companies Act, 1956, proposing his candidature to the office of Director of the Company, along with the requisite deposit of Rs. 500/- each.

### RECONSTITUTION OF THE COMMITTEES OF THE BOARD

Due to re-constitution of the Board and induction of new Directors on the Board, the committees of the Board of the Company were re-constituted. A detailed section on the re-constitution has been mentioned in the Corporate Governance Report attached to and forming part of this Report.

### STATUTORY AUDITORS

M/s. P. Murali & Co., Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment and have furnished a certificate of their eligibility u/s 224(1B) of the Companies Act, 1956. The Board recommended to the members to reappoint the auditors and authorize the Board of Directors of the Company to fix their remuneration.

### 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: 30.08.2013

**P.R.BHANDARI**  
Managing Director

**VIRENDRABHANDARI**  
Executive Director



## MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

Pursuant to Clause 49 of the Listing Agreement, a Management Analysis Report is given below:

### A. INDUSTRY BACKGROUND

The Copper and Copper Alloy products have shown impressive growth in the last decade.

Copper because of its high electrical conductivity and heat transfer characteristics finds wide application in the form of rods, tubes, strips, flats and wires. The user industries are generally Power Generation, Switchgear, Motors, Refrigeration, Heat Exchanger, Automobile and Electrical Equipment industries.

### B. INDUSTRY OUTLOOK

1. Since there is lot of emphasis of power generation the consumption of Copper Alloy tubes, Rods and Semis would increase.
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 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, Sri. Sandeep Kumar and Sri. Y. Narasimha Murthy, 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.

Your company has registered a total income of Rs. 3962.70 lakhs for 2012-13 as compared to Rs. 5586.66 for 2011-12 and the company posted a net profit of Rs. 2.46 lakhs for 2012-13 as compared to Rs. 34.26 lakhs for 2011-12. The fall in profitability is due to:

- i increase in the cost of raw materials, overheads viz., power charges, wages and salaries, maintenance of plant and mainly due to recession in the copper market.
- ii frequent power holidays declared by the state Government of Andhra Pradesh, the Company could not utilize the full capacity of the plant.

### FUTURE PROSPECTS

Until 2010 Cubex was concentrating to manufacture mostly general copper and copper alloy products to standard specifications. We have added the following products in our portfolio.

- Manufacture of Copper Nickel tubes up to 250 mm diameter which presently no one is manufacturing in India.
- Manufacture of Oxygen Free Copper in the shape of Rods and Tubes. It is currently used in Atomic Energy and Heavy Electrical Plants.

### FUTURE PLANS

Manufacture of Nickel base products – Cubex has developed and started manufacturing Nickel base alloy products from 2012 – 2013 onwards and the same was very much impressive.

Also, intends to manufacture special copper alloys in vaccuume annealing furnace

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Internal control systems are aimed at promoting operational efficiencies while stressing adherences to policies. The systems are designed with adequate internal controls commensurate size and nature of operations. Transactions are executed in accordance with the company policies. Assets are safeguarded and deployed in accordance with the Company's Policies.

During the year under review, an Audit Committee consisting of Three Independent and Non-Executive Directors was constituted. The committee is empowered by the Board with the authority to investigate any matters relating to the internal control system. The committee also reviews the quarterly, half yearly and annual financial statements before they are submitted to the Board and ensure compliance of internal control systems.

### 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.



**REPORT ON CORPORATE GOVERNANCE  
(Pursuant to Clause 49 of the Listing Agreement)****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**

- As on the date of this report, the Board of Directors of the Company comprises of 6 (Six) Directors – 2 (two) Executive Directors including Managing Director, and 4 (four) are Non-Executive & Independent Directors.
- The composition of the Board is in conformity with clause 49 of the Listing Agreements entered into with the Stock Exchanges and meets the stipulated requirements.
- 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, 2013.
- 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 25 companies and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

Name of the Director	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
<b>Sri P.R. Bhandari</b>	<b>Promoter &amp; Managing Director</b>	<b>Managing Director</b>	<b>Father of Virendra Bhandari</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
Sri. Virendra Bhandari	Promoter & Executive Director	Executive Director	Son of Sri P.R.Bhandari	1	Nil	Nil
Sri Mahendra Kumar Ranka	Independent Non-Executive	Director	Nil	1	Nil	Nil
Sri. Y. Narasimha Murthy	Independent Independent	Director	Nil	Nil	Nil	Nil
Sri. Sandeep Kumar	Independent Non-Executive	Director	Nil	Nil	Nil	Nil
Dr. Trilok Singh	Independent Non-Executive	Additional Director	Nil	Nil	Nil	Nil

During 2012-13, the Board met 7 (Seven) times on 14<sup>th</sup> May 2012, 13<sup>th</sup> August 2012, 25<sup>th</sup> August 2012, 30<sup>th</sup> August 2012, 14<sup>th</sup> November 2012, 17<sup>th</sup> December 2012 and 11<sup>th</sup> February 2013 The Last Annual General Meeting was held on 28<sup>th</sup> September 2012.



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	7	7	Yes
Sri. Virendra Bhandari	7	7	Yes
Sri. Mahendra Kumar Ranka	7	7	Yes
*Sri. Y Narasimha Murthy	5	5	Yes
*Sri. Sandeep Kumar	5	5	Yes
#Dr. Trilok Singh	2	1	N.A

\* Appointed as Additional Directors w.e.f 25<sup>th</sup> August 2012.

#Appointed as Additional Director w.e.f 17<sup>th</sup> December 2012.

None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company During the year, information as mentioned in **Annexure** to Clause 49 of the Listing Agreements 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 Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.
- 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 2012 and Mr. Mahendra Kumar Ranka, Chairman of the Audit Committee, attended previous AGM.
- IV) Due to re-constitution of the Board and induction of new Directors on the Board, the Audit Committee of the Board was re-constituted. The composition of the Audit Committee and 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>5</b>
Mr. Virendra Bhandari	<b>Member</b>	<b>5</b>	<b>5</b>
*Mr. Sandeep Kumar	<b>Member</b>	<b>5</b>	<b>3</b>
# Mr. Venkata Ramani	<b>Member</b>	<b>2</b>	<b>2</b>

\*Appointed as the member of the Audit Committee w.e.f. 25<sup>th</sup> August 2012

# Ceased to be the member of Audit Committee w.e.f. 25<sup>th</sup> August 2012

- V) During the financial year five Audit Committee meetings were held on 14<sup>th</sup> May 2012, 13<sup>th</sup> August 2012, 30<sup>th</sup> August 2012, 14<sup>th</sup> November 2012, and 11<sup>th</sup> February 2013.

The necessary quorum was present at all the meetings.

#### 4. REMUNERATION COMMITTEE

Due to re-constitution of the Board and induction of new Directors on the Board, the Remuneration Committee of the Board was re-constituted. The composition of the Committee and the attendance of each member of the Committee are given below:

Name of the Director	Chairman/Member
* Mr. Mahendra Kumar Ranka	Chairman
# Dr. K Venkata Ramani	Member
# Mr. Virendra Bhandari	Member
** Mr. Sandeep Kumar	Member
** Mr. Y Narasimha Murthy	Member

\* Appointed as member of the Committee w.e.f. 12<sup>th</sup> January 2012

# Ceased to be the members of the committee w.e.f 25<sup>th</sup> August 2012

\*\* Appointed as the members of the committee w.e.f 25<sup>th</sup> August 2012

**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	Paid during the Year 2012-13		
					Sitting fees	Salary	Commission
Sri P.R. Bhandari	Related to Sri Virendra Bhandari Executive Director	Promoter Director	NIL	—	6,00,000	—	6,00,000
Sri.Virendra Bhandari	Related to Sri.P.R.Bhandari, Manaing Director	Promoter Director	NIL	—	4,80,000	—	4,80,000

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

**6. SHARE HOLDERS /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:

Name of the Director	Chairman/Member
Mr. P R Bhandari	Chairman
Mr. Virendra Bhandari	Member
Mr. Mahendra Kumar Ranka	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. Aarthi Consultants Pvt. Ltd. The outstanding complaints as on 31<sup>st</sup> March, 2013 were: NIL.

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

AGM	YEAR	VENUE	DATE	TIME
33 <sup>rd</sup>	2011-2012	Hotel Raj Comfort Inn, Near Praradise, Opposite HDFC Bank, Secunderabad-500	28.09.2012	10.00 A.M.
32 <sup>nd</sup>	2010-2011	Hotel Raj Comfort Inn, Near Praradise, Opposite HDFC Bank, Secunderabad-500	30.09.2011	10.30 A.M.
31 <sup>st</sup>	2009- 2010	Hotel Raj Comfort Inn, Near Praradise, Opposite HDFC Bank, Secunderabad-500 003	13.12.2010	10.00 A.M.

**Special Resolutions passed:**

The Company in the 33<sup>rd</sup> Annual General Meeting held on 28<sup>th</sup> September 2012 sought the approval of the members of the Company by Special Resolution for the following items:

- Appointment of Mr. Virendra Bhandari as Executive Director of the Company
- Increase in borrowing powers of the company upto Rs. 1000 Crs.

**Postal ballot:**

During the year under review, the company has not sought the approval of the members of the Company by way of 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 Clause 49.

**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, 2013
Time	:	10.45 A.M.
Venue	:	Hotel Raj Comfort Inn, Near Paradise, Opposite HDFC Bank, Secunderabad-500 003

**(II) Financial Calendar 1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2014 (Tentative Schedule)**

Quarter ending June, 30 2013	:	Approved in the Board Meeting held on 13 <sup>th</sup> August 2013 and intimated the same to Stock Exchanges
Quarter ending September 30, 2013	:	1 <sup>st</sup> / 2 <sup>nd</sup> week of November 2013
Quarter ending December 31, 2013	:	1 <sup>st</sup> / 2 <sup>nd</sup> week of February 2014
Quarter ending March 31, 2014	:	on or before 15 <sup>th</sup> May 2014
Annual General Meeting for FY ended 31 <sup>st</sup> March, 2014	:	Before end of September, 2014

**(III) Date of Book Closure 26<sup>th</sup> September 2013 to 28<sup>th</sup> September 2013****(IV) Listing on Stock Exchanges :**

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

**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
<b>Dematerialization of Securities</b>	:	ISIN: INE 144D01012

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

During the financial year the shares of the company were traded on Bombay Stock Exchange Limited & on National Stock Exchange Limited, the following Market Price High & Low during each Month in the Last Financial Year **2012-13** as follows:

Month & Year	BSE (in Rs.)		NSE (in Rs.)	
	High	Low	High	Low
April 2012	9.40	8.00	9.70	8.00
May 2012	9.79	7.31	9.25	7.15
June 2012	8.15	6.32	8.20	6.45
July 2012	8.60	6.52	7.95	6.65
August 2012	7.95	6.30	8.05	6.35
September 2012	7.90	6.25	7.65	6.45
October 2012	8.50	6.91	9.25	6.95
November 2012	8.75	6.85	8.20	7.10
December 2012	8.85	6.93	7.95	6.90
January 2013	7.95	6.48	7.70	6.45
February 2013	7.10	5.35	7.05	5.10
March 2013	6.36	4.00	5.95	4.35

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



## CUBEX TUBINGS LIMITED

### (X) Statement Showing Distribution Schedule as on 31.03.2013

SLNO	CATEGORY	HOLDERS	HOLDERS PERCENTAGE	SHARES	AMOUNT	AMOUNT PERCENTAGE
1	1 - 5000	6171	83.38	990396	9903960	8.32
2	5001 - 10000	642	8.67	521271	5212710	4.38
3	10001 - 20000	282	3.81	430523	4305230	3.62
4	20001 - 30000	89	1.2	228943	2289430	1.92
5	30001 - 40000	50	0.68	177284	1772840	1.49
6	40001 - 50000	41	0.55	189803	1898030	1.59
7	50001 - 100000	62	0.84	471473	4714730	3.96
8	100001 & Above	65	0.88	8898707	88987070	74.73
	Total:	7402	100	11908400	119084000	100

### (XI) Statement Showing Shareholding Pattern as on 31.03.2013

Category	Category of Shareholder	Number of shareholders	Total Number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a Percent age (A+B)	As a Percent age (A+B+C)	Number of Shares	As a percent age
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VII)	(IX)= (VIII)/(IV)* 100
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
(a)	Individuals/Hindu Undivided Family	7	562620	473320	4.72	4.72	0	0
(c)	Bodies Corporate	5	3977395	1824292	33.40	33.4	0	0
(e-ii)	Trusts	3	10490	0	0.09	0.09	0	0
	Sub Total (A)(1)	15	4550505	2297612	38.21	38.21	0	0
2	Foreign							
(a)	Individuals (Non Resident Individuals/Foreign Individuals)	0	0	0	0	0	0	0
(b)	Bodies Corporate	1	120000	0	1.01	1.01	0	0
	Sub Total (A)(2)	1	120000	0	1.01	1.01	0	0
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	16	4670505	2297612	39.22	39.22	0	0
(B)	Public Shareholding							
1	Institutions							
(a)	Mutual Funds/UTI	3	45600	0	0.38	0.38	0	0



## CUBEX TUBINGS LIMITED

(b)	Financial Institutions/Banks	3	800	0	0.01	0.01	0	0
(c)	Central Government/State Government(s)	1	360	360	0	0	0	0
	Sub Total (B)(1)	7	46760	360	0.39	0.39	0	0
B2	Non-Institutions							
(a)	Bodies Corporate	160	2775919	347372	23.31	23.31	0	0
(b)	Individuals							
(I)	Individual shareholders holding nominal share capital upto Rs.1 lakh	7134	2662513	2041995	22.36	22.36	0	0
(II)	Individual shareholders holding nominal share capital in excess of Rs.1 lakh	45	1649576	1637476	13.85	13.85	0	0
(d)	Any Others(Specify)							
(d-i)	Non Resident Individuals	30	51859	41859	0.44	0.44	0	0
(d-ii)	Overseas Corporate Bodies	5	50200	0	0.42	0.42	0	0
(d-v)	Clearing Members	5	1068	1068	0.01	0.01	0	0
	Sub Total (B)(2)	7379	7191135	4069770	60.39	60.39	0	0
	Total Public Shareholding (B)=(B)(1)+(B)(2)	7386	7237895	4070130	60.78	60.78	0	0
	Total (A)+(B)	7402	11908400	6367742	100	100	0	0

### (XII) Dematerialization of shares & liquidity

The Company's shares are compulsorily 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 53.47% of the company's share capital are dematerialized as on 31<sup>st</sup> March 2013.

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) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversation date and likely impact on equity.

Out of 1,25,91,600 share warrants allotted on 10<sup>th</sup> November 2011 to the persons belonging to promoter group & other than promoter group, 45,00,000 Equity shares were allotted on 31<sup>st</sup> March 2012 and 24,10,575 Equity shares were allotted on 6<sup>th</sup> May 2013 by conversion of equal number of warrants. Accordingly promoter holding has increased from 39.22% to 44.14% and balance 56,81,025 warrants were lapsed.

<b>(XIV) Plant Location</b>	Near 5th Phase, S.No.464, 482 IDA, Patancherru Medak District, A.P.	C-4, IDA, Phase -1, Pathancheru, Andhra Pradesh
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<b>(XV) Address for Correspondence</b>	1-7-27 to 34, IInd Floor, Shyam Towers S.D.Road, Secunderabad – 500 003.
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**12. OTHER DISCLOSURES AS PER CLAUSE 49 OF THE LISTING AGREEMENT**

**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 2012-13**

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 2012-13.

Hyderabad  
30.08.2013

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 Section 211 (3C) of the Companies Act, 1956.

**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 2012-13 is provided elsewhere in this Annual Report.

BY ORDER OF THE BOARD OF DIRECTORS  
For CUBEX TUBINGS LIMITED

PLACE: HYDERABAD  
DATE : 30-08-2013

P.R. BHANDARI  
MANAGING DIRECTOR

VIRENDRA BHANDARI  
EXECUTIVE DIRECTOR



**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 31<sup>st</sup> March 2013 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.

Place: HYDERABAD  
Date: 30.08.2013

P.R BHANDARI  
Managing Director

**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, 2013** as stipulated in clause 49 of the listing agreement of the said company with the Stock Exchanges.

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 clause 49 the 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. MURALI & CO.,**  
CHARTERED ACCOUNTANTS

PLACE : HYDERABAD  
DATE : 30.08.2013

**P. MURALI MOHANA RAO**  
PARTNER

**CUBEX TUBINGS LIMITED**

Address: 1-7-27 to 34,shyam towers, S.D.Road, Secunderabad.

Dear Shareholder(s),

Sub: Request for registration of e-mail ID under "Green Initiative" issued by Ministry of Corporate Affairs, Govt. of India.

- 1) Ministry of Corporate Affairs, Government of India (MCA) has issued a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies, stating that the service of notice / document by a company to its shareholders can be made through electronic mode, vide circular nos. 17/2011 dt.21.04.2011 & 18/2011 dt. 29.04.2011. For full text of the said circulars, please refer to MCA's website [www.mca.gov.in](http://www.mca.gov.in). The said Circulars inter-alia stipulates that the Companies have to obtain e-mail address by giving an advance opportunity to every shareholder to register their e-mail address and changes therein from time to time with the Company or Depository Participant (DP).
- 2) In view of the above, your company proposes to send Annual Reports (Audited Financial Statements, Directors Report, Auditors Report, etc..) and also other documents including Notice of the Annual General Meeting, henceforth to the shareholders in electronic mode. Accordingly, an advance opportunity is given to you to register your e-mail address to receive the notice/ document in electronic mode as under:

Shares held in Electronic Mode	If Email ID is already registered with DP	Please inform changes, if any therein to DP and also update the same.
	If Email ID is <b>not</b> registered	Please register Email ID with DP immediately.
Shares held in Physical Mode	If Email ID is already registered	Please inform changes, if any therein to Share Transfer Agent (STA) and also update the same
	If Email ID is <b>not</b> registered	Please register immediately with Share Transfer Agent(STA)

- 3) In case, you are interested in receiving the notices / documents in physical form only, irrespective of your shareholding in demat or physical, please inform to our STA at the addresses given below:

M/s.AarthiconsultantsPvt, Ltd.,  
(Unit: Cubex Tubings Limited),  
1-2-285, Domalguda, Hyderabad-500029.  
Tel.No.040-27638111/4445,FaxNo.040-27632184,  
Email: [info@arthiconsultants.com](mailto:info@arthiconsultants.com)

OR

- 4) Click Button on "**Green Initiative**" on Website [www.arthiconsultants.com](http://www.arthiconsultants.com) or [www.cubextubings.com](http://www.cubextubings.com)
- 5) You are also requested to provide/ update the details of your postal address to receive the documents & also bank details for receiving the dividend warrants /dividend mandate/ECS etc., with your DP/STA as the case may be before the above said date.
- 6) This letter has also been e-mailed to those shareholders, who have already provided e-mail address in their demat accounts with DP.
- 7) Please note that the e-mail address indicated in your DP account, with depositories viz. NSDL/CDSL and e-mail address received by our STA will be deemed to be your registered email address for serving notices/documents etc., including those covered under Section 219 of the Companies Act, 1956, (the Act) read with section 53 of the Act.
- 8) Please also note that henceforth, the Annual Reports will be sent to those Members in electronic mode, whose e-mail address registered/updated with NSDL/CDSL and received in our STA's office up to date mentioned above and for other Members, Annual Report will be sent in physical form as per the address available in the records.  
Further, the documents electronically sent to you, would be displayed on our website [www.cubextubings.com](http://www.cubextubings.com) well in advance for your ready reference and an advertisement would be issued in newspapers to this effect for information of the shareholders.
- 9) This move by the Ministry is welcome initiative, since it will benefit the society at large through reduction in paper consumption and contribution towards a Green Environment. It will also ensure prompt receipt of communication and avoid loss in postal transit.
- 10) We are sure you would appreciate the "Green Initiative" undertaken by MCA and your company's desire to participate in such initiatives.
- 11) We are also sure that you would join hands with the Company in complying "Green Initiative" by registering/ updating your e-mail address with concerned depository including dividend mandate/ECS and change of address, if any for prompt receipt of communications/dividend and avoid loss in postal transit.

Yours faithfully

By order of the Board of Directors  
**For Cubex Tubings Limited**

Managing Director



**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
CUBEX TUBINGS LIMITED

**Report on the Financial Statements:**

We have audited the accompanying financial statements of Cubex Tubings Limited "the Company", which comprise the Balance Sheet as at **March 31, 2013**, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements:**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility:**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements:**

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books,



## CUBEX TUBINGS LIMITED

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- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts,
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For P.MURALI & CO.,  
CHARTERED ACCOUNTANTS  
Firm Registration No:007257S

PLACE : HYDERABAD  
DATE : 30-05-2013

P. MURALI MOHANA RAO  
PARTNER  
MEMBERSHIP NO. 023412

### ANNEXURE TO THE AUDITORS' REPORT

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
  - (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.
  - (c) The Company has not disposed off substantial part of the Fixed Assets during the year.
- II. (a) The Inventory has been physically verified during the year by the Management and in our opinion, the frequency of verification is reasonable.
  - (b) In our opinion, the procedures of the physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company is maintaining proper records of inventory and as explained to us, no material discrepancies were noticed on physical verification of stocks as compared to book records.
- III. (a) According to the information and explanations given to us the company has not made any advances to the parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - (b) As the Company has not granted any loans, the Clause of whether the rate of interest & other terms and conditions on which loans have been granted to parties listed in the register maintained under Section 301 prejudicial to the interest of company, is not applicable.
  - (c) As no loans are granted by company, the clause of receipt of interest & principal amount from parties, is not applicable to the company.
  - (d) No loans have been granted to Companies, Firms and other parties listed in the register U/S 301 of the Companies Act, 1956. Hence, overdue Amount of more than rupees one Lac does not arise and the clause is not Applicable.
  - (e) The Company has not taken any loans, secured or unsecured from Companies, Firms or other Parties covered in the register maintained U/s.301 of the Companies Act, 1956.



- (f) As the Company has not taken any loans, the clause of whether the rate of interest and other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 is prejudicial to the interest of company, is not applicable.
- (g) As no loans are taken by the company, the clause of repayment of interest & principal amount to parties is not applicable to the company.
- IV.** In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. There is no continuing failure by the company to correct any major weaknesses in internal control.
- V.** (a) In our opinion and according to the information and explanation given to us , since no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been made by the company in respect of any party in the financial year, the entry in the register U/s.301 of the Companies Act, 1956 does not arise.
- (b) According to the information and explanations given to us, as no such contracts or arrangements made by the company, the applicability of the clause of charging the reasonable price having regard to the prevailing market prices at the relevant time does not arise.
- VI.** The Company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under does not arise
- VII.** In our opinion, the company is having internal audit system, commensurate with its size and nature of its business.
- VIII.** We have broadly verified the books of account and records maintained by the Company relating to the manufacture of copper and copper alloy products pursuant to the order made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies act,1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view for determining whether they are accurate or complete, as the examination of the records are to be made by a Cost Auditor.
- IX.** (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investors Education and Protection Fund, Employee State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and Cess and other applicable statutory dues with the appropriate authorities during the year. According to information and explanations given to us there are no arrears of statutory dues as at 31<sup>st</sup> March, 2013 which were outstanding for a period of more than 6 months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which were not deposited on account of any dispute.
- X.** The Company has been registered for a period of not less than 5 years, and the company has no accumulated losses at the end of the financial year and the company has not incurred cash losses in this financial year and in the immediately preceding financial year.
- XI.** According to information and explanations given to us, the company has not defaulted in repayment of dues to financial Institutions or Banks.
- XII.** According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.
- XIII.** This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi/Mutual Benefit Fund/Societies.
- XIV.** According to the information and explanations given to us, the company is not dealing or trading in shares, securities, Debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.



## CUBEX TUBINGS LIMITED

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- XV.** According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions, and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company .
- XVI.** According to the information and explanations given to us, the company has not obtained any Term Loans during this financial year. Hence the clause of Long Term Loans does not arise.
- XVII.** According to the information and explanations given to us, no funds has been raised by the Company on short term basis. Hence the clause of short term funds being used for long term investments does not arise.
- XVIII.** According to the information and explanations given to us, the Company has not made any preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is prejudicial to the interest of the Company does not arise.
- XIX.** According to the information and explanations given to us, the company does not have any debentures and hence the applicability of the clause regarding the creation of security or charge in respect of debentures issued does not arise.
- XX.** According to information and explanations given to us, the company has not raised money by way of public issues during the year, hence the clause regarding the disclosure by the management on the end use of money raised by public issue is not applicable.
- XXI.** According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

For P.MURALI & CO.,  
CHARTERED ACCOUNTANTS  
Firm Registration No:007257S

PLACE : HYDERABAD  
DATE : 30-05-2013

P. MURALI MOHANA RAO  
PARTNER  
MEMBERSHIP NO. 023412

**BALANCE SHEET AS AT 31st MARCH, 2013**

Particulars	Note No	As on 31-03-2013 Rupees	As on 31-03-2012 Rupees
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	118,495,549	118,495,549
(b) Reserves and Surplus	2	386,977,478	386,731,261
<b>(2) Share Warrant Application Money</b>	3	32,150,000	32,150,000
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	51,150,305	54,299,923
(b) Deferred Tax Liabilities (Net)	5	6,798,019	4,501,159
<b>(4) Current Liabilities</b>			
(a) Trade Payables	6	21,281,850	10,078,846
(b) Other Current Liabilities	7	15,276,663	18,208,278
(c) Short-Term Provisions	8	3,543,631	4,542,316
<b>Total</b>		<b>635,673,496</b>	<b>629,007,332</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
<i>(a) Fixed assets</i>			
(i) Tangible & Intangible Assets	9	242,082,278	223,946,441
(b) Long Term Loans and Advances	10	19,492,428	8,318,909
(c) Other Non Current assets	11	780,000	877,500
<b>(2) Current assets</b>			
(a) Inventories	12	80,995,510	45,802,895
(b) Trade Receivables	13	163,591,088	220,161,692
(c) Cash and Bank Balances	14	37,798,935	27,894,784
(d) Short-Term Loans and Advances	15	78,364,988	88,970,764
(e) Other Current Assets	16	12,568,268	13,034,347
<b>Total</b>		<b>635,673,496</b>	<b>629,007,332</b>

Significant Accounting Policies &amp;

The accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

**For P.MURALI & CO.,**

Firm Registration No: 007257S

Chartered Accountants

For and on behalf of the Board

For **CUBEX TUBINGS LIMITED****P.R.BHANDARI**  
Managing Director**VIRENDRA BHANDARI**  
Executive Director**P.MURALI MOHANA RAO**

Partner

Membership No. 023412

Place : Hyderabad

Date : 30-05-2013



**CUBEX TUBINGS LIMITED****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

Particulars	Note No	Year Ending 31-03-2013 Rupees	Year Ending 31-03-2012 Rupees
Revenue from Operations	17	382,498,298	554,235,342
Other Income	18	13,771,851	4,430,537
<b>Total Revenue</b>		<b>396,270,149</b>	<b>558,665,879</b>
<u>Expenses:</u>			
Cost of materials consumed	19	344,762,703	447,466,579
Increase in Inventory (Finished goods & Work In Progress)	20	(32,205,936)	25,841,106
Employee Benefit Expenses	21	8,237,127	9,432,376
Other Operating Expenses	22	45,940,111	42,130,305
Administrative and Selling Expenses	23	8,489,521	11,093,716
Financial Costs	24	465,008	1,376,730
Depreciation	9	17,439,880	14,764,285
<b>Total Expenses</b>		<b>393,128,414</b>	<b>552,105,097</b>
Profit / (Loss) Before Tax		<b>3,141,735</b>	<b>6,560,782</b>
Tax Expense:			
(1) Current tax		598,658	1,306,636
(2) Deferred tax		2,296,861	1,827,695
Profit / (Loss) After Tax		<b>246,216</b>	<b>3,426,451</b>
Earning per equity share:			
(1) Basic & Diluted EPS Rs.		0.02	0.46

Significant Accounting Policies &amp;

The accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

**For P.MURALI & CO.,**

Firm Registration No: 007257S

Chartered Accountants

**P.MURALI MOHANA RAO**

Partner

Membership No. 023412

Place : Hyderabad

Date : 30-05-2013

For and on behalf of the Board

For **CUBEX TUBINGS LIMITED****P.R.BHANDARI**  
Managing Director**VIRENDRA BHANDARI**  
Executive Director

**CUBEX TUBINGS LIMITED****CASH FLOW STATEMENT OF THE YEAR ENDED 31-03-2013**

PARTICULARS	(Rs)	
	Current year	Previous year
<b>A CASH FLOW FROM OPERATION ACTIVITIES</b>		
Net Profit Before Tax & Extraordinary Items	3,141,735	6,560,782
ADJUSTMENTS FOR		
Depreciation	17,439,880	14,764,285
Interest Expenses	465,008	1,376,730
Loss on Sale of Fixed Assets	-	111,301
Profit on Sale of Fixed Assets	-	(532,897)
Operating Profit before Working Capital Changes	21,046,623	22,280,201
ADJUSTMENTS FOR		
Trade Receivables	56,570,604	(47,729,266)
Short term Loans and Advances	10,605,775	(39,804,458)
Other Current Assets	466,080	1,926,906
Inventories	(35,192,615)	24,853,925
Trade Payables	11,203,005	2,780,125
Other Current Liabilities	(2,931,615)	10,826,071
Short Term Provisions	(1,597,343)	(2,602,482)
Cash Generated From Operations	60,170,513	(27,468,978)
Cash flow from Extraordinary Items	-	-
Net Cash flow from Operating Activities	60,170,513	(27,468,978)
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(35,575,717)	(88,165,312)
Sale/Adjustment of Fixed Assets	-	4,605,523
Net Cash Used in Investment Activities	(35,575,717)	(83,559,789)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Share Capital	-	45,000,000
Preferential Issue Money	-	29,350,000
Long Term Borrowings Taken/Repaid	(3,149,618)	(2,283,191)
Securities Premium	-	22,500,000
Long Term Loans and Advances	(11,173,519)	(1,469,931)
Share Warrants Advance	-	2,800,000
Other Non Current Assets	97,500	(877,500)
Interest & Finance Charges paid	(465,008)	(1,376,730)
Net Cash used in Financing Activities	(14,690,645)	93,642,648
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	9,904,152	(17,386,120)
Cash and Cash Equivalents (Opening Balance)	27,894,784	45,280,903
Cash and Cash Equivalents (Closing Balance)	37,798,935	27,894,784

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

Place: Hyderabad  
Date: 30-05-2013

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

**CERTIFICATE**

To  
**The Board of Directors**  
M/s. Cubex Tubings Limited

We have examined the above cash flow statement of Cubex Tubings Limited for the year ended 31st, March, 2013. This has been prepared by the Company is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

FOR P MURALI & CO.,  
CHARTERED ACCOUNTANTS  
Firm Regn. No: 007257S

Place: Hyderabad  
Date : 30-05-2013

**P.Murali Mohana Rao**  
PARTNER



## SIGNIFICANT ACCOUNTING POLICIES

### BASIS OF PREPARATION:

The financial statements have been prepared to comply in all material respects with the accounting standards notified by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956 ('the Act'). The financial statements have been prepared under historical cost convention on an accrual basis in accordance with accounting principles generally accepted in India. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year:

### USE OF ESTIMATES:

The preparation of financial statements is in conformity with generally accepted accounting principles require the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Significant estimates used by the management in the preparation of these financial statements include estimates of the economic useful lives of fixed assets and provisions for bad and doubtful debts. Any revision to accounting estimates is recognized prospectively.

#### (a) Accounting Convention and Revenue Recognition:

The Financial Statements have been prepared on a going concern basis in accordance with historical cost convention except for such fixed assets which are revalued. Both Income and Expenditure are recognized on accrual basis.

Revenue is not recognized on the grounds of prudence, until realized in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

#### (b) Cash Flow Statement: AS-3

The Company has prepared Cash Flow Statement as per the AS-3.

#### (c) Retirements Benefits:

Gratuity - No provision for gratuity has been made as no employees have put in qualifying period of service for entitlement of this benefit.

Provident Fund – The company makes monthly contribution to the Employees Provident Fund and Pension Fund under the provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952.

#### (d) Fixed Assets:

Fixed Assets are stated at cost of acquisition and subsequent improvements thereto, inclusive of taxes, freight, and other incidental expenses related to acquisition, improvements and installation, except in case of revaluation of Fixed Assets where it is stated at revalued amount, as contained in AS-10.

#### (e) Depreciation:

Depreciation on Fixed Assets is provided on straight-line method as per the rates specified in Schedule XIV of the Companies Act, 1956. This is in accordance with the AS-6 and there is no change in the method of Depreciation during the year.

#### (f) Transactions in Foreign Exchange:

Sales / Purchases and revenue incomes / expenses in foreign currency are booked at the exchange rate prevailing on the date of transaction. Gain / Loss arising out of fluctuations in exchange based on the rate on date of realization is accounted for in the Profit and Loss Account as per AS-11.

#### (g) Borrowing Cost:

Borrowing cost relating to acquisition/ construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/sale. Borrowing costs that



are attributable to the projects are charged to the respective projects. All other borrowing costs, not eligible for inventorisation/capitalisation, are charged to revenue.

(h) **Inventories:**

Materials, stores & spares, tools and consumable are valued at cost or market value, whichever is lower on the basis of first in first out method reflecting the fairest possible approximation to the cost incurred in bringing the items of inventory to their present location and condition.

(i) **Taxes on Income:**

- a) Provision for tax for the year comprises current Income Tax and Deferred Tax and is provided as per the Income Tax Act, 1961.
- b) Deferred tax resulting from timing differences between the book and the tax profits is accounted for, at the current rate of tax, to the extent that the timing differences are expected to crystallize. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future; however where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets/liabilities are reviewed as at each balance sheet date.

(j) **Earnings per Share:**

The earnings considered in ascertaining the Earning per Share comprise of Net Profit after Tax. The number of shares used in computing Basic Earnings Per Share is the Weighted Average number of shares outstanding during the year, as per **AS-20**.

(k) **Impairment of Assets:**

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sale price or present value as determined above.

(l) **Related Party Disclosures :**

The Company as required by **AS-18**, furnishes the details of Related Party Disclosures



## CUBEX TUBINGS LIMITED

Notes to Financial Statements for the year ended March 31, 2013

### NOTE NO. 1 : SHARE CAPITAL

S.No.	Particulars	As on 31-03-2013 Rupees	As on 31-03-2012 Rupees
I	Equity Share Capital		
	(a) Authorised		
	( No. of Shares 25000000 - Current Year )	250,000,000	-
	( No. of Shares 25000000 - Previous Year )	-	250,000,000
	(b) Issued		
	( No. of Shares 11908400 - Current Year )	119,084,000	-
	( No. of Shares 11908400 - Previous Year )	-	119,084,000
	(c) Subscribed & Fully Paid Up		
	( No. of Shares 11908400 - Current Year )	119,084,000	-
	( No. of Shares 11908400 - Previous Year )	-	119,084,000
	(d) Calls Unpaid by others	588,451	588,451
	(e) Par Value per share Rs. 10/-		
	<b>Total Equity Share capital</b>	<b>118,495,549</b>	<b>118,495,549</b>
II	<b><u>A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:</u></b>	<b>No.Of Shares</b>	
	<b>Equity Shares of Rs.10/- Each, Fully paid up</b>		
	At the Beginning	11,908,400	7,408,400
	Issued during the year - Cash Issue	-	4,500,000
	At the end	11,908,400	11,908,400
III	<b><u>Details of Shareholder holding more than 5% shares of the company:</u></b>	<b>% of Share Holding</b>	
	<b>Equity Shares of Rs.10/- each Held By</b>		
	Cubex Securities Ltd -No. Of Shares (C.Y) 1861777, ( P.Y) 1861777,	15.63%	15.63%
	Nadol Trading Pvt Ltd -No. Of Shares (C.Y) 1300000, ( P.Y) 1300000,	10.92%	10.92%
	Mavv Trading Pvt Ltd -No. Of Shares (C.Y) 800000, ( P.Y) 800000,	6.72%	6.72%
	Swarnim Avenues Pvt Ltd -No. Of Shares (C.Y) 1500000, ( P.Y) 1500000,	12.60%	12.60%
	Enspire Institute of Prof. Studies -No. Of Shares (C.Y) 900000, ( P.Y) 900000,	7.56%	7.56%

### NOTE NO. 2 : RESERVES AND SURPLUS

Particulars	As on 31-03-2013 Rupees	As on 31-03-2012 Rupees
<b>RESERVES AND SURPLUS</b>		
a) Subsidy	1,309,890	1,309,890
b) Capital Reserve	3,136,000	3,136,000
(During the Financial Year 2011-12 the Company has forfeited the advance received against Share Warrants of Rs.2,800,000 is transferred to Capital Reserve)		
c) Securities Premium	213,865,406	213,865,406
(During the Financial Year 2011-12 the Company has issued 4,500,000 Equity Shares at Premium of Rs.5)		
d) Revenue Reserves	2,277,766	2,277,766
e) Investment Allowance Reserve	660,700	660,700
f) Surplus :		
Opening Balance - Profit and Loss Account	165,481,499	162,055,048
Add: Transfer from Profit & Loss Account	246,216	3,426,451
	<b>165,727,716</b>	<b>165,481,499</b>
<b>Total Reserves and Surplus</b>	<b>386,977,478</b>	<b>386,731,261</b>

**CUBEX TUBINGS LIMITED**

Notes to Financial Statements for the year ended March 31, 2013

**NOTE NO. 3 : SHARE WARRANT APPLICATION MONEY**

Particulars	As on 31-03-2013 Rupees	As on 31-03-2012 Rupees
Share Warrant Application Money	32,150,000	32,150,000
	<b>32,150,000</b>	<b>32,150,000</b>

**NOTE NO. 4 : LONG TERM BORROWINGS**

Particulars	As on 31-03-2013 Rupees	As on 31-03-2012 Rupees
Term Loans		
i) Secured Loans		
Vehicle Finance from Banks	1,250,081	1,179,570
ii) Deferred Payment Liabilities		
Sales Tax Deferment	49,900,224	53,120,353
[Note: Vehicle loans are taken from HDFC Bank against Hypothecation same vehicles.]		
<b>Total</b>	<b>51,150,305</b>	<b>54,299,923</b>

**NOTE NO. 5 : DEFERRED TAX LIABILITY ( NET )**

Particulars	As on 31-03-2013 Rupees	As on 31-03-2012 Rupees
Opening Deferred tax Liability	4,501,159	2,673,464
Add: Deferred Tax Liability for the year ( Due to SLM and WDV Difference )	2,296,861	1,827,695
<b>Deferred Tax Liability/ ( Asset ) - Net</b>	<b>6,798,019</b>	<b>4,501,159</b>

**NOTE NO. 6 : TRADE PAYABLES**

Particulars	As on 31-03-2013 Rupees	As on 31-03-2012 Rupees
a) Trade Payables	21,281,850	10,078,846
<b>Total Trade Payables</b>	<b>21,281,850</b>	<b>10,078,846</b>

**NOTE NO. 7 : OTHER CURRENT LIABILITES**

Particulars	As on 31-03-2013 Rupees	As on 31-03-2012 Rupees
a) Current maturities of Long Term Debt - Sales Tax Deferment	3,220,220	1,643,472
b) Creditors for Capital Goods	7,190,319	14,383,278
c) Creditors for Expenses	4,866,125	2,181,528
<b>Total Other Current Liabilities</b>	<b>15,276,663</b>	<b>18,208,278</b>

**NOTE NO. 8 : SHORT TERM PROVISIONS**

Particulars	As on 31-03-2013 Rupees	As on 31-03-2012 Rupees
a) Provisions for employee benefits		
PF Payable	86,474	72,992
ESI Payable	21,376	17,482
Salaries Payable	433,624	418,121
b) Others		
Provision for Expenses	2,348,536	2,300,929
Statutory Liabilities	54,963	426,156
Provision for Income Tax	598,658	1,306,636
<b>Total Short Term Provisions</b>	<b>3,543,631</b>	<b>4,542,316</b>



**CUBEX TUBINGS LIMITED**

**NOTE NO 9 : TANGIBLE & INTANGIBLE ASSETS AS AT 31-03-2013**

Sl. No.	Particulars	Gross Block			Depreciation/Amortization			Net Block as on 31.03.2013	Net Block as on 31.03.2012
		As on 01.04.2012	Additions during the year	Deletions during the year	As on 31.03.2013	Dep. For the year 2012-2013	Depreciation on Deletions		
	<b>Tangible Fixed Assets:</b>								
1	Land	1665670			1,665,670	-	-	1,665,670	1,665,670
2	Building	27533741	2604937		30,138,678	988335	10,824,968	19,313,710	17,677,108
3	Electrical Installation	16005515			16,005,515	760262	4,607,378	11,398,137	12,158,399
4	Plant & Machinery	282202350	30142705		312,345,055	13619850	126,008,684	186,336,372	169,813,517
5	Furniture & Office Equipments	3053348	143970		3,197,318	358278	2,588,150	609,168	823,476
6	Furnace	14996089	999775		15,995,864	738401	4,687,600	11,308,264	11,046,890
7	Lab Equipment	4188592	118450		4,307,042	45139	1,772,310	2,534,732	2,461,421
8	Water cool moulds	6536731	92000		6,628,731	8450	1,653,781	4,974,950	4,891,400
9	Weighing Equipment	111931			111,931	5317	81,824	30,107	35,424
10	Bore well	131760			131,760	4401	69,101	62,659	67,060
11	Vehicles	8199232	1418480		9,617,712	780404	6,046,121	3,571,591	2,933,515
12	Scooter & Mopeds	582031	55400		637,431	60123	606,942	30,489	35,213
13	Computer	1114097			1,114,097	25,830	1,103,312	10,785	36,615
14	Generators	946640			946,640	44,965	806,603	140,037	185,003
15	Telephones	423694			423,694	20,125	328,088	95,606	115,732
	<b>Intangible Fixed Assets</b>								
	<b>Capital Work In Progress</b>								
	<b>TOTAL</b>	<b>367,691,422</b>	<b>35,575,717</b>	<b>11,060,628</b>	<b>403,267,139</b>	<b>17,439,880</b>	<b>161,184,860</b>	<b>242,082,278</b>	<b>223,946,441</b>
	<b>Previous Year</b>	<b>290,586,738</b>	<b>88,165,312</b>	<b>11,060,628</b>	<b>367,691,422</b>	<b>14,764,285</b>	<b>143,744,980</b>	<b>223,946,441</b>	<b>154,729,342</b>

**CUBEX TUBINGS LIMITED**

Notes to Financial Statements for the year ended March 31, 2013

**NOTE NO. 10 : LONG TERM LOANS AND ADVANCES**

Particulars	As on 31-03-2013 Rupees	As on 31-03-2012 Rupees
<b>Security Deposits</b>		
Secured, Considered Good	19,492,428	8,318,909
<b>Total Long Term Loans and Advances</b>	<b>19,492,428</b>	<b>8,318,909</b>

**NOTE NO. 11 : OTHER NON CURRENT ASSETS**

Particulars	As on 31-03-2013 Rupees	As on 31-03-2012 Rupees
Unamortised Expenditure	780,000	877,500
<b>Total Other Non Current Assets</b>	<b>780,000</b>	<b>877,500</b>

**NOTE NO. 12 : INVENTORIES**

Particulars	As on 31-03-2013 Rupees	As on 31-03-2012 Rupees
a) Raw materials	1,689,975	-
b) Work - in - progress	63,937,570	31,731,634
c) Finished goods	-	-
d) Consumables, Stores and spares	15,367,965	14,071,261
<b>Total Inventories</b>	<b>80,995,510</b>	<b>45,802,895</b>

**NOTE NO. 13 : TRADE RECEIVABLES**

Particulars	As on 31-03-2013 Rupees	As on 31-03-2012 Rupees
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, Considered Good	38,800,953	47,270,676
<b>Other Receivables:</b>		
Unsecured, Considered Good	124,790,135	172,891,016
<b>Total Trade Receivables</b>	<b>163,591,088</b>	<b>220,161,692</b>

**NOTE NO. 14 : CASH AND BANK BALANCES**

Particulars	As on 31-03-2013 Rupees	As on 31-03-2012 Rupees
Cash and Cash Equivalents :		
a) Balances with banks :		
1) On Current Accounts	6,913,981	2,229,791
2) Margin Money	30,436,706	23,976,794
b) Cash on Hand	448,248	1,688,199
<b>Total Cash and Cash Equivalents</b>	<b>37,798,935</b>	<b>27,894,784</b>





## CUBEX TUBINGS LIMITED

Notes to Financial Statements for the year ended March 31, 2013

### NOTE NO. 15 : SHORT TERM LOANS AND ADVANCES

Particulars	As on 31-03-2013 Rupees	As on 31-03-2012 Rupees
Short - term Loans and Advances:		
a) Advances Recoverable in Cash or in Kind Unsecured, Considered Good		
i) Advances to Suppliers	3,859,409	12,822,134
ii) Advances to Staff	79,319	203,621
iii) Other Advances	5,444,420	7,639,768
b) Loans and Advances to Others Unsecured, Considered Good	67,318,433	64,361,305
c) Security Deposit with Customers	1,663,407	3,943,936
<b>Total Short Term Loans and Advances</b>	<b>78,364,988</b>	<b>88,970,764</b>

### NOTE NO. 16 : OTHER CURRENT ASSETS

Particulars	As on 31-03-2013 Rupees	As on 31-03-2012 Rupees
a) Cenvat Credit	1,592,641	6,041,316
b) Advance Income Tax (Includes TDS Receivable)	1,280,886	933,091
c) VAT Receivable	6,830,330	4,375,645
d) Customs Duty Receivable	127,229	127,229
e) Interest Receivable	2,737,182	1,557,067
<b>Total Other Current Assets</b>	<b>12,568,268</b>	<b>13,034,347</b>

**CUBEX TUBINGS LIMITED**

Notes to Financial Statements for the year ended March 31, 2013

**NOTE NO. 17 : REVENUE FROM OPERATIONS**

Particulars	Year Ended 31-03-2013 Rupees	Year Ended 31-03-2012 Rupees
Revenue from operations		
(a) Sale of Products		
(i) Copper and Copper Alloys Products	433,820,807	614,871,040
(b) Job Work Charges	4,009,390	5,074,928
	437,830,197	619,945,968
Less: Excise Duties Collected	39,762,167	49,138,376
VAT & CST Collected	15,569,732	16,572,250
<b>Total Revenue from Operations</b>	<b>382,498,298</b>	<b>554,235,342</b>

**NOTE NO. 18 : OTHER INCOME**

Particulars	Year Ended 31-03-2013 Rupees	Year Ended 31-03-2012 Rupees
(a) Interest Income	11,196,049	3,408,895
(a) Bad Debts Recovery / Written off	2,591,529	-
(c) Profit on Sale of Assets	-	532,897
(d) Rent	-	220,600
(e) Foreign Exchange Fluctuation	(78,155)	251,885
(b) Misc. Income	62,429	16,260
	-	-
<b>Total Other Income</b>	<b>13,771,851</b>	<b>4,430,537</b>

**NOTE NO. 19 : COST OF MATERIALS CONSUMED**

Particulars	Year Ended 31-03-2013 Rupees	Year Ended 31-03-2012 Rupees
Opening Stock of Raw Materials (Copper, Nickel, Zinc and Brass)	-	6,064,010
Add : Purchases During the year	346,452,678	441,402,569
Less: Closing Stock of Raw material	1,689,975	-
<b>Total Cost Of Material Consumed</b>	<b>344,762,703</b>	<b>447,466,579</b>

**NOTE NO. 20 : CHANGE IN INVENTORIES & WIP.**

Particulars	Year Ended 31-03-2013 Rupees	Year Ended 31-03-2012 Rupees
<b>Finished Goods</b>		
Finished goods at the beginning of the year	-	4,929,554
Less : Finished goods at the end of the year	-	-
<b>Sub Total (A)</b>	-	4,929,554
<b>Work in Progress</b>		
Work in progress at the beginning of the year	31,731,634	52,643,186
Less : Work in progress at the end of the year	63,937,570	31,731,634
<b>Sub Total (B)</b>	(32,205,936)	20,911,552
<b>(Increase) / Decrease in Inventories (A+B)</b>	<b>(32,205,936)</b>	<b>25,841,106</b>

**CUBEX TUBINGS LIMITED**

Notes to Financial Statements for the year ended March 31, 2013

**NOTE NO. 21 : EMPLOYEE BENEFIT EXPENSES**

Particulars	Year Ended 31-03-2013 Rupees	Year Ended 31-03-2012 Rupees
(a) Salaries & Wages	6,492,238	6,885,149
(b) Contribution to Provident & Other Funds	1,243,051	1,653,799
(c) Staff Welfare Expenses	501,838	893,428
<b>Total Employee Benefit Expenses</b>	<b>8,237,127</b>	<b>9,432,376</b>

**NOTE NO. 22 : OTHER OPERATING EXPENSES**

S.No.	Particulars	Year Ended 31-03-2013 Rupees	Year Ended 31-03-2012 Rupees
(a)	Consumption of Stores & Spares	14,185,814	9,137,440
(b)	Power & Fuel	26,671,208	24,824,919
(c)	Repairs to Building	-	547,323
(d)	Repairs to Machinery	914,928	1,442,320
(e)	Insurance	276,792	362,739
(f)	Rates & Taxes (excluding Income Tax)	478,078	281,105
(g)	Clearing and Forwarding Charges	798,546	668,857
(h)	Other Manufacturing Expenditure	2,517,245	4,229,416
(i)	Net loss on sale of Assets	-	111,301
(j)	Miscellaneous Expenses W/o.	97,500	97,500
(k)	Prior Period Items (Depreciation excess claimed and Fixed Assets credited on account of Cenvat Credit on Capital Goods during previous years 2007-08 to 2010-11)	-	427,385
	<b>Total Other Operating Expenses</b>	<b>45,940,111</b>	<b>42,130,305</b>

**NOTE NO. 23 : ADMINISTRATIVE AND SELLING EXPENSES**

Particulars	Year Ended 31-03-2013 Rupees	Year Ended 31-03-2012 Rupees
(a) Telephone, Postage and Others	287,879	407,835
(b) Advertisement and Publicity	122,629	166,475
(c) Sales Commission	1,252,500	1,235,926
(d) Discount	178,314	62,228
(e) Freight Outward	1,550,202	1,592,257
(f) Travelling & Conveyance	1,079,751	1,818,057
(g) Office Maintenance	50,694	583,171
(h) Printing & Stationery Expenses	94,541	231,530
(i) Security Charges	405,432	396,353
(j) Rates & Taxes (excluding Income Tax)	485,599	2,574,219
(k) Managerial Remuneration	1,080,000	700,000
(l) Office Rent	339,876	130,307
(m) General Expenses	360,128	568,954
(n) Interest on Late payment of Taxes	366,415	70,131
(o) Vehicle Maintenance	404,033	156,993
(p) Professional and Consultancy Fee	374,347	328,600
(q) Donations	1,001	14,500
(r) Payment to Auditors:		
(i) As Auditor	33,708	33,708
(ii) For Taxation Matters	22,472	22,472
<b>Total Administrative and Selling Expenses</b>	<b>8,489,521</b>	<b>11,093,716</b>



## CUBEX TUBINGS LIMITED

Notes to Financial Statements for the year ended March 31, 2013

### NOTE NO. 24 : FINANCE COST

Particulars	Year Ended 31-03-2013 Rupees	Year Ended 31-03-2012 Rupees
(a) Interest Expenses		
- Interest on Vehicle Finance	95,441	156,133
- Loan processing Charges & Bank Charges	369,567	1,220,597
<b>Total Finance Cost</b>	<b>465,008</b>	<b>1,376,730</b>

### NOTES TO FINANCIAL STATEMENTS

25. Detailed information regarding quantitative particulars under part II of schedule VI to the Companies Act, 1956:

- i) Quantitative information with regard to
  - a) Licensed Capacity and
  - b) Installed Capacity per annum

Particulars	Year ended 31-03-2013		Year ended 31-03-2012	
	Quantity ( MT )	Amount(Rs.)	Quantity ( MT )	Amount(Rs.)
a) Turnover	731.80	378,488,908	893.75	549,160,414
b) Details of Raw Material consumed				
i) Copper & Copper Alloys and Other items	778.49	344,762,703	921.11	447,466,579
c) Capacity & Production				
i) Installed Capacity	2800	NIL	2800	NIL
ii) Actual Production	731.80	-	893.75	-

### 26. 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
Mr. Y. Narasimha Murthy	Director

Transactions & Remuneration during the year with Related Parties:

(Rs.)

Name of the Party	Nature of Relationship	Nature of Transaction	2012-13	2011-12
Mr. P.R.Bhandari	Managing Director & CEO	Remuneration	600,000	600,000
Mr. Virendra Bhandari	Executive Director	Remuneration	480,000	100,000
Dr. Trilok Singh	Director	Remuneration	NIL	NIL
Mr. Mahendra Ranka	Director	Remuneration	NIL	NIL
Mr. Sandeep Kumar	Director	Remuneration	NIL	NIL
Mr. Y. Narasimha Murthy	Director	Remuneration	NIL	NIL

### 27. Contingent Liabilities:

(Rs.)

		As at 31-03-2013	As at 31-03-2012
Bank Guarantee (Performance of Product & towards The Security)	State Bank of Hyderabad, Axis Bank, Indusind Bank & CITI Bank.	30,436,706	23,889,655



## CUBEX TUBINGS LIMITED

### 28. Foreign Exchange Earnings and Outflow :

Particulars	Nature of Currency	Year 2012 –13 Rs.	Nature of Currency	Year 2011 –12 Rs.
<b>EARNINGS</b>	\$ 107208	5,502,623	\$ 57736	2,651,025
On Export of Goods				
<b>OUTFLOW</b>				
Raw Materials / Equipment	\$ 346351	18,161,725	\$ 130467	6,302,622
	€ 1383	103189	-	-

### 29. Earnings Per Share :

Particulars	Year 2012 –13	Year 2011 –12
Net profit after tax (Rs.)	246,215	3,426,451
Weighted Average Numbers of shares	11908400	7420695
Basic EPS (Rs.)	0.02	0.46
Diluted EPS (Rs.)	0.02	0.46

30. Segment wise information not being furnished as the company operates only one segment VIZ. Copper & Copper Alloy Products.
31. Closing Balances of Debtors / Creditors / Loans & Advances are subjected to confirmation from the Parties.
32. The Company has availed total amount of Rs.56,707,740/- towards the sales Tax deferment, which has been sanctioned to the company of which second instalment of Rs.1,643,472 has been repaid during this Financial Year.
33. There are no dues to SSI Units outstanding for more than 30 days.
34. Previous year's figures have been regrouped wherever necessary.
35. The Figures have been rounded off to the nearest rupee.

As per our Report of Even date  
FOR P. MURALI & CO.,  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD  
for CUBEX TUBINGS LIMITED

P.MURALI MOHANA RAO  
PARTNER

P. R. BHANDARI  
MANAGING DIRECTOR

VIRENDRA BHANDARI  
EXECUTIVE DIRECTOR

Place: Hyderabad  
Date : 30-05-2013



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**CUBEX TUBINGS LIMITED**

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

**Proxy Form**

Regd. Folio no. : .....

No. of shares : .....

Client ID no. ....

I/We \_\_\_\_\_ of \_\_\_\_\_  
being Member / Members of Cubex Tubings Limited hereby appoint \_\_\_\_\_ of  
\_\_\_\_\_ as my/our proxy to attend and vote for me/us on my/our behalf at  
the **34<sup>th</sup> Annual General Meeting** of the Company to be held on **Saturday 28th September, 2013** at  
**10.45 am** at Hotel Raj Comfort Inn, Near Paradise, Opposite HDFC Bank, Secunderabad-500 003 and at any  
adjournment thereof.

As witness my/our hand (s) this \_\_\_\_\_ day of \_\_\_\_\_ 2013

Signed by the said \_\_\_\_\_

Affix Re 1/-  
Revenue  
Stamp

**CUBEX TUBINGS LIMITED**

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

**Admission Slip**

<b>Date</b>	<b>Venue</b>	<b>Time :</b>
<b>28th September, 2013</b>	Hotel Raj Comfort Inn, Near Paradise, Opposite HDFC Bank, Secunderabad-500 003	<b>10.45 A.M</b>

Name of the shareholder	Folio no. / DPID and Client ID No.	No. of shares

I certify that I am a registered shareholder of the Company and hold above-mentioned shares in the Company and hereby record my present at the 34th Annual General Meeting of the Company.

**Member's/Proxy signature**

Note: Shareholder/Proxy holder wishing to attend the meeting must bring the Admission Slip and hand over at the entrance duly signed.

**PRINTED MATTER  
BOOK - POST**

*If undelivered, please return to :*



**CUBEX TUBINGS LIMITED**

Regd. Office : 1st Floor, 1-7-27 to 34, United Building Complex,  
Shyam Towers, S.D. Road, Secunderabad - 500 003





# CUBEX TUBINGS LIMITED

(AN ISO 9001:2000 CERTIFIED COMPANY)



## FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	CUBEX TUBINGS LIMITED
2.	Annual financial statements for the year ended	31st March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	NOT APPLICABLE
5.	To be signed by	
	CEO/Managing Director	<i>[Signature]</i>
	CFO	<i>[Signature]</i>
	Auditor of the company	<i>P. Murali</i>
	Audit Committee Chairman	<i>D. Mohan</i>

