


CERTIFIED TRUE COPY

Report

For GLOBUS CORPOORATION LIMITED



Mg Director / Director

**Globus Corpooration Limited**

(Previously Known as Karuna Cables Limited)

**Annual Report 2008-09**

**BOARD OF DIRECTORS**

Dr. Mahendra C. Shah	Chairman & Managing Director
Mr. N. S. Ranganath	Non-executive & Independent Director
Mr. C V V Prasad	Non-executive & Independent Director
Mr. Mit.M.Shah	Non-executive Director

**AUDITORS**

M/s Sandip V. Doshi & Co.

Chartered Accountants

**REGISTRAR & SHARE TRANSFER AGENTS**

M/s Purva Sharegistry (India) Private Limited  
9, Shiv Shakti Industrial Estate,  
Gr.Floor, Sitaram Mill Compound, J.R.Boricha Marg,  
Lower Parel, Mumbai – 400 011

**BANKERS**

Indian Overseas Bank,  
Padmarao Nagar Branch, Secunderabad

**REGISTER OFFICE**

102, Sanjay Chambers, Choubal Lane,  
V. P. Road, Opera House,  
Mumbai – 400 004

**FACTORY**

102-A, S. V. C. I. Estate, IDA Bolaram,  
Dist. – Medak (Andhra Pradesh)

**HYDERABAD OFFICE**

76-B, Street No. 3, Vengalraonagar,  
Hyderabad – 500 038

## NOTICE

Notice is hereby given that the Twenty Forth Annual General Meeting of the Members of Globus Corpooration Limited will be held on Tuesday the 29th day of September 2009 at 10:15 a.m. at the Swastik League Hall, 324-A Vithalbhai Patel Road, Opera House, Mumbai – 400 004 to transact the following business, with or without modifications.

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2009 and Profit & Loss Account for the period ended on that date along with Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mit M. Shah – Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to the provisions of section 198, 269, 309, 310 & 311 read with schedule XIII and other applicable provisions, if any of the Companies Act, 1956 and subject to the approval of the Central Government, if required, the consent of the Company be and is hereby accorded to the re-appointment of Dr. Mahendra C. Shah as Managing Director of the Company for a period of five years with effect from 1<sup>st</sup> October, 2008 on terms & conditions including remuneration and perquisites as set out in the explanatory statement annexed hereto and as may be agreed to between the Company and Dr. Mahendra C. Shah

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to amend, alter or otherwise vary the terms and conditions for the appointment of the Managing Director from time to time, including remuneration as the Board may deem fit, provided that such remuneration shall not exceed the maximum limits for payment of managerial remuneration as may be permissible within the overall limits specified under the Companies Act, 1956 as existing or as amended, modified or re-enacted from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters, and things as in its absolute discretion, it may consider necessary, expedient or desirable, in order to give effect to the foregoing Resolution or otherwise considered by it to be in the best interest of the Company."

- 5). To consider and if though fit, to pass with or without modifications, the following resolution as a special resolution:

"RESOLVED THAT pursuant to Section 149(2A) and all other application provisions, if any, of the Companies Act, 1956 the consent of the members of the Company be and is hereby accorded to the Company for commencing and undertaking the business as enumerated in clause No. 55 of Part C of Other Object of Part III of the memorandum of Association to be read as Clause No. 55: To carry on business to invest in and to hold, sell and deal with the stocks, shares, bonds, debenture-stock and securities of any government, State, company, Corpooration, co-operative Society, municipal or local or other such body or authority, financial institution and any other corporate body and to pledge and make advances upon hold in trust, issue on commission or otherwise, dispose of any of the investments aforesaid and to act as agents, under writers, managers to the issue, registrars and brokers for any of the above and to carry on the business of electrical, mechanical and general engineers consultants and advisers."

By Order of the Board of Directors  
For Globus Corpooration Limited

Place : Mumbai,  
Date : 29th August, 2009.

**DR. MAHENDRA C SHAH**  
CHAIRMAN & MANAGING DIRECTOR

Registered Office:  
102 Sanjay Chambers, Choubal Lane,  
V. P. Road, Opera House,  
Mumbai – 400 004

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING AND ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXIES SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The members are requested to notify immediately changes, if any, in their registered address to the Company's Registrar & Share Transfer Agent M/S Purva Sharegistry (India) Pvt. Ltd., 9, Shiv Shakti Industrial Estate, Gr.floor, Sitaram Mill Compound, J.R.Borecha Marg. Lower Parel. Mumbai-400011, email ID: [purvashr@mtnl.net.in](mailto:purvashr@mtnl.net.in).
3. Members who hold Shares in Dematerialized 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 easy identification at the meeting and number of shares held by them.
4. The Share Transfer Books and the Register of Members will remain closed from Tuesday the 22nd day of August 2009 to Tuesday 29th September 2009 (both days inclusive).
5. At the ensuing Annual General Meeting Mr. Mit M. Shah – Director, retires by rotation and being eligible offers himself for re-appointment, the brief resume of this director is as under:

Name	Mit M. Shah
Age	24 yrs
Qualification	B.A. (Hons)
Expertise in Specific Area	Finance & Marketing
Date of First Appointment on the Board of the Company	31st July 2009
Name(s) of the other companies in which Directorship held and Committee Membership/Chairmanship held.	Director- Hamm Securities Pvt Ltd

6. Shareholders desiring any information as regards to the Accounts are requested to write to the Company at least Seven days in advance of the Annual General Meeting so that the information, to the extent practicable, can be made available at the Annual General Meeting.
7. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item No. 4 of the notice set out above is annexed hereto.

By Order of the Board of Directors  
For Globus Corpoooration Limited

Place : Mumbai,  
Date : 29th August, 2009.

**DR. MAHENDRA C SHAH**  
CHAIRMAN & MANAGING DIRECTOR

Registered Office:  
102 Sanjay Chambers, Choubal Lane,  
V. P. Road, Opera House,  
Mumbai – 400 004

**ANNEXURE TO THE NOTICE**

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

**Item No. 4**

The Board of Directors reappointed Dr. Mahendra C. Shah as the Managing Director of the Company with effect from 01.10.2008. The brief terms and conditions of his appointment are set out below:

1. Period: Five years with effect from 01.10.2008.
2. Remuneration: He shall be entitled to salary upto Rs. 50000/- per month, which can be increased upto Rs. 2,00,000/- per month at per the discretion of the Board of Directors considering the profitability of the company and subject to compliance of Schedule XIII.
3. Perquisites : He shall be provided facilities such as telephone, car, etc. as may be necessary exclusively for the business of the Company.
4. He shall be entitled to the perquisites in the form of membership fees of the clubs to be paid by the Company.
5. The Company shall reimburse actual entertainment and traveling expenses incurred in the course of the Company's business.
6. He will be entitled to privilege leave and sick leave and casual leave benefits as per the rules of the Company.
7. Other perquisites like Medical Reimbursement, Leave Travel Concession, Personal Accident Insurance shall be as per the rules of the Company subject to the ceiling laid down in Income Tax Rules.

In compliance with the provisions of Section 269, 198, 309 read with Schedule XIII of the Companies Act, 1956, the Board recommends the above resolution for your approval.

Except Dr. Mahendra C. Shah and his son Mr. Mit Shah, none of the other Directors is in any way concerned or interested in the said resolution.

**Item No. 5**

The Company had proposed to undertake the business of investing in and to hold, sell and deal with the stocks, shares, bonds, debenture-stock and securities. The present Main Object of the Company is related to manufacturing of Ingots, Rods, Bars of all type of metals and other related activities. The promoter's of the company is having vast knowledge and experience in the dealing in shares and securities. Thus it will be in the best interest of the company to take the advantage of promoter's expertise in this business. The proposed activity is not germane to the main object of the company. The activities related to invest, deal, sell in shares and securities are allowed in clause 55 of Part 'c' of Part III of Memorandum of Association of the Company.

It would be necessary for the members under section 149(2A) of the Companies Act 1956 to accord their approval to the Company for commencing and undertaking the business not germane to the existing main object, set out in new clause 55 of Part c of Part III of the Memorandum of Association upon approval of Registrar of Companies. Opportunity is being taken to have such approval in this meeting and the Director comments this resolution for adoption.

None of the Directors is concerned or interested in the Resolution.

By Order of the Board of Directors  
For Globus Corporation Limited

Place : Mumbai,  
Date : 29th August, 2009.

**DR. MAHENDRA C SHAH**  
CHAIRMAN & MANAGING DIRECTOR

## DIRECTORS' REPORT

Your Directors have pleasure in presenting their TWENTEETH FORTH ANNUAL REPORT together with the Audited Accounts of the Company for the year ended on 31st day of March 2009.

### FINANCIAL PERFORMANCE:

PARTICULARS	Year ended 31-3-2009 Rs. (lacs)	Year ended 31-3-2008 Rs. (lacs)
Turnover	1977.74	3701.66
Other Income	6.23	3.83
Increase/ Decrease in Stock	(310.56)	78.88
Total Income	2294.52	3784.37
Total Expenditure	2254.46	3720.32
Profit / (Loss) before Taxation	19.17	64.04
Provision for Tax	5.88	2.45
Profit / (Loss) after Taxation	13.29	60.91
Balance b/f from Previous Year	22.96	57.90
Deferred Tax	6.84	19.97
Earlier Year Adjustments	--	2.50
Balance Carried to Balance Sheet	13.98	22.96

### OPERATIONAL REVIEW

The Sales for the period ended 31.03.2009 were at Rs 1977.74 lacs as against Rs.3701.66 Lac for the previous year. The Profit After Tax is Rs 13.29 Lacs against Rs.60.91 Lac for the previous year.

### FUTURE OUTLOOK-

During the current year, the out look will be to a large extent dependent on the overall economic scenario which is not favorable. The manufacturing activities had not been improved in the current six months. Besides this almost all power distribution companies are floating tenders with norms like higher bank guarantee, turnover and Bank facility.

### FORFEITURE OF SHARES

The Board of Directors in its Board Meeting held on 25th July, 2008 has decided to issue reminder notice for payment of call moneys to the share holders, who have not yet paid their call money, if shareholders fails to pay their remaining call money, their shares will be liable for forfeiture.

### DIVIDEND

In view of the revival of the company's operation, your Directors have decided not to recommend any dividend on account for the year under operation.

### CHANGE OF NAME

During the year under review the Company has changed its name from Karuna Cables Limited to Globus Corpooation Limited through special resolution passed in the Extra-Ordinary General Meeting held on 18th July, 2009.

### CHANGE OF OBJECT

During the year under review, the Company has amended its main object clause 1 by amending the new clause 1 in place of the existing clause no. 1 and to insert clause no. 64 to 70 in part C of other object clause, pursuant to section 17 of the Companies Act, 1956, to carry on the business of infrastructure including supplying cables and also to carry on turnkey projects of erection and commissioning of high tension electrical lines, which is approved through postal ballot declared in the meeting held on 27th October, 2008.

### MANAGEMENT DISCUSSION AND ANALYSIS

As required by clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis Report are appended.

### DIRECTORS

Mr. Mit M. Shah retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Directors recommends his re-appointment.

Dr. Mahendra Shah was re-appointed as Managing Director of the Company w.e.f. 01.10.2003 for a period of five years. His term as managing director expired on 30.09.2008. The Board recommends his reappointment as managing director for further period of 5 years.

### PERSONNEL

There were no employees during the year or part of the year drawing remuneration, which falls within the preview of the provisions of Section 217 (2A) of the Companies Act 1956.

### AUDITORS' REPORT

The observation made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence do not call, any further comments under Section 217 of the Companies Act 1956.

### AUDITORS

M/s. Sandip Doshi & Co, Chartered Accountant is appointed during the year to fill the casual vacancy caused by resignation of existing auditor M/s. Bhoopendra Maheshwari & Co. in the Extra Ordinary General Meeting held on 18th July, 2009. M/s Sandip V. Doshi & Co., Chartered Accountants, retires as Auditors of the Company at the conclusion of the ensuing Annual General Meeting. The Company has received letters from them to effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

### FIXED DEPOSITS:

The Company has not invited / accepted / renewed any fixed deposits as per the provisions of Section 58 A of the Companies Act 1956 from the public during the year under review.



**CORPORATE GOVERNANCE:**

A separate report on the Corporate Governance and Management Discussion & Analysis is attached as a part of the Annual Report. The Auditors' Certificate regarding compliance of the conditions of Corporate Governance is also annexed.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

In terms of Section 217 (2AA) of the Companies Act 1956, the directors would like to state that:

- i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv) The Directors have prepared the Annual Accounts on a going concern basis.

**CONSERVATION OF ENERGY, ABSORPTION OF TECHNOLOGY & FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information relating to Conservation of Energy, Technology absorption and Foreign Exchange Earning and Outgo as stipulated under Section 217 (1) (e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 is set out in the separate statement, attached to this report & forms part of it.

**ACKNOWLEDGEMENTS**

Your Company & its Directors wish to extend their sincerest thanks to the Bankers, State Government, Customers, Suppliers and Staff for their continuous co-operation & guidance.

By the Order of the Board of Directors  
For Globus Corporation Limited

**Dr. Mahendra C. Shah**

Mumbai : 29th August, 2009. *Chairman & Managing Director*

**ANNEXURE TO DIRECTORS' REPORT**

Information as per Section 217 (1) (e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988.

**A. CONSERVATION OF ENERGY**

The capacity of the plant utilized partially, so there was no need to use Generator.

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY.

Sr. Particulars	31-03-2009	31.03.2008
1 Electricity		
a. Purchased - Units	114091	172156
Total Amount in -Rs.	766930	945024
Average Rate	6.72	5.49
b. Own Generation		
Unit per litre of Diesel	--	--
Cost per unit	--	--
2 Coal Specify quality where used		
Quantity (Tonnes)	--	--
Total Cost	--	--
Average Cost	--	--
3 Furnance oil		
Quantity (Lits)	--	--
Total Amount	--	--
Average Rate	--	--

**B. TECHNOLOGY ABSORPTION**

Indigenous technology is used. Continuous efforts are being made to improve the quality of Conductors in terms of Conductivity, Resistance, etc. by R&D team.

**C. FOREIGN EXCHANGE EARNING AND OUTGO:**

Total Foreign Exchange Used: NIL

Total Foreign Exchange Earned: NIL

By the Order of the Board of Directors  
For Globus Corporation Limited

**Dr. Mahendra C. Shah**

29th August, 2009.

*Chairman & Managing Director*

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Your Directors have pleasure in presenting the Management Discussion and Analysis report for the year ended on 31<sup>st</sup> March 2009.

**a. INDUSTRY STRUCTURE, DEVELOPMENT-**

The power sector is a key infrastructure back bone of the country, need to grow faster then the average growth of the economy, however because of substantial investment the growth of the sector is not up to the expected level, The cheaper and stable power could be secured through large size Power projects and for which we require efficient critical technology and better quality of power cables and conductors to minimize transmission and distribution line loss. Also easier norms for qualification of tender and lower earnest money for tender will make the industry grow at required pace.

**b. OPPORTUNITES, THREATS AND RISKS**

The power industry is showing healthy signs of growth. The fluctuation of the raw material price put pressure on the profitability. The company is trying to secure orders.

**c. SEGMENTWISE PERFORMANCE:**

The company operations are broad bifurcated into two segments. Manufacturing and Trading.

**d. INTERNAL CONTROL SYSTEM & THEIR ADEQUACY:**

The company has adequate internal control system commensurate with the size. The committee reviews the implementation of management policies to ensure that transaction has been accurately recorded and promptly reported. Company has taken steps towards material and labour management at plant by formulating committee consisting of Managing Director and Manager Accounts.

**e. OUTLOOK:**

There is expected to be good demand for power cables and power related equipments because of massive investments are planned in coming years. However Company could not achieve the sales target due to delayed payment from our customers and single product production capacity.

**f. HUMAN RESOURCES & INDUSTRIAL RELATION:**

The company has harmonious Industrial relation. There is continuous emphasis on development of human resources through training. The issues pertaining to workers are resolved in harmonious and cordial manner.



## **CORPORATE GOVERNANCE REPORT**

### **(1) COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

The company's continued endeavor is to achieve good governance, by way of constant efforts whereby ensuring the transparency, accountability and responsibility in our dealing with employees, shareholders, consumers and community at large. The Board of Directors represents the interest of the company by way of providing necessary guidance and strategic vision to the company.

### **(2) BOARD OF DIRECTORS**

The composition of the Board, Category of Directors and Number of Directorship & Membership / Chairmanship of Committees in other Companies are as under:

Name of Director	Category	Remuneration received during the year under review	No. of Outside Directorship (s) Held		No. of Outside Committee Position Held	
			Public	Private	Member	Chairman
Dr. M. C. Shah	Chairman & Managing Director	NIL	NIL	NIL	NIL	NIL
Mr. N.S. Ranganath	Independent & Non-executive Director	NIL	NIL	NIL	NIL	NIL
Mr. C. V. V. Prasad	Independent & Non-executive Director	NIL	NIL	NIL	NIL	NIL
*Mr. Pawan Kumar Sanwamal	Independent & Non-executive Director	NIL	8	9	NIL	NIL
Mr. Mit M Shah	Director	NIL	NIL	1	NIL	NIL

\* Resigned w.e.f. 21<sup>st</sup> July, 2008

The code stipulates that the Company shall have an optimum combination of Executive & Non-executive Director with not less than 50 % of Board of Directors comprising of Non-executive Directors. The number of independent Directors would depend on whether the Chairman is executive or non-executive. In case of non-executive chairman, at least 1/3 of Board should comprise of independent directors and in case of Executive Chairman, at least 1/2 of the Board should comprise of independent directors.

The Company has been complying with both the provisions towards number of non-executive directors as well as Independent Directors.

Number of Board Meetings:

During the year under review, 6 Board Meeting were held on 21st April, 2008, 29th April, 2008, 25th July, 2008, 20th September, 2008, 31st Oct, 2008, 31st January, 2009

**Directors Attendance Record**

Name of Director	Category	Board Meeting attended during the year	Whether last AGM attended
Dr. M. C. Shah	Chairman & Managing Director	6	Yes
Mr. N.S. Ranganath	Independent & Non-executive Director	5	Yes
Mr. C. V. V. Prasad	Independent & Non-executive Director	3	No
Mr. Pawan Kumar Sanwamal	Independent & Non-executive Director	Nil	No
Mr. Mit M Shah	Director	3	Yes

\* Resigned w.e.f. 21st July, 2008

None of the Directors of the Company are members of more than Ten Committees of Board or the Chairman of more than Five Committees across all Companies in which they are Directors.

The details of other Committee Chairmanship and Membership held by the Directors of the Company as at 31st March 2009 are given below:

Name of Director	Chairman of Committee*	Member of Committee*
Dr, M.C. Shah	-	1
Mr. N. S. Ranganath	2	--
Mr. C. V. V. Prasad	-	2
Mr. Pawan Kumar Sanwamal	-	1
Mr. Mit M. Shah	-	2

\* Only two committees, namely, Audit Committee and Shareholder/Investor Grievance Committee has been considered as per Clause 49 of the Listing Agreement.

**(3) AUDIT COMMITTEE**

The Board of Directors of the Company has constituted an Audit Committee. The terms of reference to the Audit Committee cover the matters specified under Clause 49 of the Listing Agreement as well as Section 292 A of the Companies Act 1956.

Presently, the committee consists of 3 Directors; all directors are non-executive & majority of them being independent. The committees met 4 times during the year under review on 29<sup>th</sup> April 2008, 25<sup>th</sup> July 2008, 31<sup>st</sup> October 2008 and 31<sup>st</sup> January 2009.

The terms of reference of the Audit Committee include, overseeing of the Company's financial reporting process, recommending the appointment and removal of the external auditors, fixation of the audit fees with management, the annual financial statements, the adequacy of internal control systems, internal audit function, reviewing the company's financial and risk management policies, review of the expenses vis-à-vis budget, report on compliances with statutory requirements, reviewing compliances as regards the Company's Whistle Blower Policy etc. The audit committee reviews the adequacy of internal control systems etc. as mentioned in the scope and powers of the Audit Committee in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

The minutes of the Audit Committee are circulated to the Board, discussed and taken note of at the Board Meeting.

The attendance record of the members at the meeting is as under.

Name of Director	No. of Meeting Attended
Mr. N. S. Ranganath – Chairman	4
Mr. C. V. V. Prasad – Member	4
Mr. Pawan Kumar Sanwamal – Member*	1
Mr. Mit M Shah	2

\* Resigned w.e.f. 21st July, 2008.