

**26th**  
**ANNUAL REPORT**  
**2010 - 2011**

**GLOBUS CORPOORATION LIMITED**  
(Previously Known as Karuna Cables Limited)

**BOARD OF DIRECTORS**

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Mr. Mit. M. Shah	Whole Time Director
Mr. N. S. Ranganath	Non-Executive & Independent Director
Mr. Ashok C. Shah	Non-Executive Director

**AUDITORS**

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M/s Sandip V. Doshi & Co.  
Chartered Accountants

**FACTORY**

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

**BANKERS**

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Indian Overseas Bank  
Secunderabad

**HYDERABAD OFFICE**

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

**REGISTERED OFFICE**

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

**REGISTRAR & SHARE TRANSFER AGENTS**

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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

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**NOTICE**

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Members of Globus Corpooration Limited (Previously known as Karuna Cables Limited) will be held on Saturday 24<sup>th</sup> day of September 2011 at 10:00 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 31<sup>st</sup> March 2011 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. Ashok 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.

**By the Order of the Board of Directors**  
For **GLOBUS CORPOORATION LIMITED**

Date: 12<sup>th</sup> August, 2011  
Place: Mumbai

**Mr. Mit M. Shah**  
Whole Time Director

**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 Shareregistry (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 Friday, the 23<sup>rd</sup> of September 2011 to Saturday, 24<sup>th</sup> September 2011 (both days inclusive).
5. At the ensuing Annual General Meeting Mr. Ashok Shah – Director, retires by rotation and being eligible offers himself for re-appointment, the brief resume of this director is as under:

Name	Mr. Ashok Shah
Age	70 Yrs
Qualification	Under Graduate
Expertise in Specific Area	Metal business
Date of First Appointment on the Board of the Company	6 <sup>th</sup> July, 2010
Name(s) of the other companies in which Directorship held and Committee Membership/Chairmanship held.	Refer to Report on Corporate Governance

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. **Green initiative in Corporate Governance:** *The Government Of India, Ministry Of Corporate Affairs (MCA) vide its circular no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 has taken a "Green Initiative" and has allowed companies to make service of documents including Annual Report, Audited Financial Statements, Director's Report, Auditor's Report, etc. to the members through the electronic mode, to the registered email addresses of the members. This is a golden opportunity to contribute to our Nation at large. All you have to do is to register your e-mail address with the company to receive communication through the electronic mode.*

**By the Order of the Board of Directors  
For GLOBUS CORPOORATION LIMITED**

Date: 12<sup>th</sup> August, 2011  
Place: Mumbai

**Mr. Mit M. Shah**  
Whole Time Director

## DIRECTORS' REPORT

Your Directors have pleasure in presenting their **TWENTY SIXTH ANNUAL REPORT** together with the Audited Accounts of the Company for the year ended on 31<sup>st</sup> day of March 2011.

### FINANCIAL HIGHLIGHTS:

		(Rs. in Lacs)
	<b>For the year ended on 31.03.2011</b>	For the year ended on 31.03.2010
Turnover	<b>2316.12</b>	2018.70
Other Income	<b>(0.06)</b>	32.54
Increase / Decrease in Stock	<b>141.53</b>	(5.28)
Total Income	<b>2457.59</b>	2056.52
Total Expenditure	<b>2438.00</b>	2085.62
Profit / (Loss) before Taxation	<b>19.59</b>	(29.10)
Provision for Tax	<b>2.55</b>	—
Profit / (Loss) after Taxation	<b>17.04</b>	(29.10)
Balance b/f from Previous Year	<b>1.76</b>	36.95
Deferred Tax	<b>(11.71)</b>	(6.08)
Balance Carried to Balance Sheet	<b>7.09</b>	1.76

### OPERATIONAL REVIEW:

The Sales for the period ended 31.03.2011 were at Rs 2316.12 lacs as against Rs.2018.70 Lac for the previous year. The Profit After Tax is Rs 17.04 Lacs against Rs.(29.10) Lac for the previous year.

### FUTURE OUTLOOK:

In the wake of ongoing economic scenario the outlook of the company is to sustain itself against domestic as well as world crisis and to maintain itself in prevailing market condition, competition and to emerge as niche player in the market through constant endeavour to excel and improve its position in the market.

### 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.

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

### 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:

The Auditors M/s Sandip Doshi & Co., Chartered Accountants, Mumbai hold the office until the conclusion of ensuing Annual General Meeting. Your company has received certificate from the Auditors U/S 224(1B) of the Companies Act, 1956 to the effect that their reappointment if made, will be within the limit prescribed.

### 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:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 CORPOORATION LIMITED**

Date: 12<sup>th</sup> August, 2011  
Place: Mumbai

**Mr. Mit M. Shah**  
Whole Time 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.

<b>Sr. Particulars</b>	<b>31-03-2011</b>	<b>31.03.2010</b>
1. Electricity		
a. Purchased Units	<b>92114</b>	79525
Total Amount in Rs.	<b>779903</b>	671502
Average Rate	<b>8.46</b>	8.44
b. Own Generation	—	—
Unit per litre of Diesel	—	—
Cost per unit	—	—
2. Coal Specify quality where used	—	—
Quantity (Tonnes)	—	—
Total Cost	—	—
Average Cost	—	—
3. Furnace 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 CORPOORATION LIMITED**

Date: 12<sup>th</sup> August, 2011  
Place: Mumbai

**Mr. Mit M. Shah**  
Whole Time 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 2011.

### **a. INDUSTRY STRUCTURE, DEVELOPMENT-**

Globus Corpooration Limited is engaged in manufacturing ACSR, AAA Conductors. The power sector is a key infrastructure back bone of the country, which needs to grow faster then the average growth of the economy. 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. An increase in working capital is required to execute more orders.

### **b. OPPORTUNITES, THREATS AND RISKS**

At the world level, there are significant changes occurred in micro level as well as macro level, particularly EUROZONE crisis, U.S. slowdown, PIGS crisis and even in India fluctuation of GDP and production and inflation level. Also at local level in Andhra Pradesh due to Telengana issue has been hampering the production and business. The above issues have made the raw material price very volatile. This puts pressure on the profitability. The above factors have had an adverse effect on the demand for conductors in the short term. It has resulted in a very competitive environment. The power industry is showing healthy signs of growth for long term. The tender prerequisites have become more stringent. Thus smaller companies are not qualified to participate. The company is planning to diversify its products and expand its capacity. This should enable the Company to stay on top of competition and capitalize on the industry growth.

### **c. SEGMENTWISE PERFORMANCE:**

The company operations are broadly 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.

### **e. OUTLOOK:**

The future of the industry looks quite encouraging. Although the demand for power conductors and cables has increased due to large scale electrification by the central and state governments; the tender norms have become more stringent. The Company however could not achieve the sales target due to delayed payment from our customers and single product production capacity. Thus to stay on top, the company must expand its product portfolio and increase capacity to stay competitive, and also plan a backward integration thereby cutting costs further through economies of scale and by manufacturing our own raw materials.

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

The company promotes open and transparent working environment to enhance teamwork and business focus. Human resource is a priority and well emphasized through continuous training of the Company employees both skilled and unskilled. The issues pertaining to workers are resolved in harmonious and cordial manner. The Company is well respected in regards to Industrial relation because of our transparent and open working system.



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

The company's continued endeavor is to attain highest standards of transparency, responsibility and accountability and achieve good governance. The Company is constantly trying to attain these standards in our dealing with employees, shareholders, consumers and community at large. The Board of Directors represents the interest of the company, which is in the interest of the shareholders 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	No. Of Outside Directorship (s) Held		No. Of Outside Committee Position Held	
		Public	Private	Member	Chairman
*Dr. M. C. Shah	Managing Director	NIL	NIL	NIL	NIL
Mr. Mit M. Shah	Whole Time Director	NIL	1	NIL	NIL
#Mr. Ashok Shah	Non-executive Director	NIL	NIL	NIL	NIL
Mr. N. S. Ranganath	Independent & Non-executive Director	NIL	NIL	NIL	NIL

\* Dr. M. C. Shah has resigned w.e.f. 25<sup>th</sup> June, 2010.

\*Mr. Ashok C. Shah appointed w.e.f. 6<sup>th</sup> July, 2010.

\*Mr. Mit M. Shah appointed as Whole-Time director w.e.f. 31<sup>st</sup> July, 2010.

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.

Number of Board Meetings:

During the year under review, 5 Board Meeting were held on 3<sup>rd</sup> May, 2010, 6<sup>th</sup> July, 2010, 31<sup>st</sup> July, 2010, 2<sup>nd</sup> November, 2010, 4<sup>th</sup> February, 2011

Directors Attendance Record

Name of Director	Category	Board Meeting attended during the year	Whether last AGM attended
Mr. Mit M. Shah	Whole time Director	5	Yes
Mr. N. S. Ranganath	Non-Executive & Independent	5	No
Mr. Ashok C. Shah	Director	3	Yes

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 31<sup>st</sup> March 2011 are given below:

<b>Name of the Director</b>	<b>Chairman of Committee*</b>	<b>Member of Committee*</b>
Mr. Mit M. Shah	-	2
Mr.N.S. Ranganath	2	-
Mr. Ashok Shah	-	2

\* Only two committees, namely, Audit Committee and Shareholder/Investor Grievance Committee have 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; 1 director is executive and other 2 directors are non-executive & majority of them is independent. The committees met 4 times during the year under review on 3<sup>rd</sup> May, 2010, 31<sup>st</sup> July, 2010, 2<sup>nd</sup> November, 2010 and 4<sup>th</sup> February, 2011.

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.**

<b>Name of Director</b>	<b>Designation</b>	<b>No. Of Meeting Attended</b>
Mr. N. S. Ranganath	Chairman	4
Mr. Mit M. Shah	Member	4
Mr. Ashok Shah	Member	2

### **(4) SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE**

The Board of Directors of Company has constituted Shareholders / Investors Grievance Committee. Presently, the Committee consists of 3 Directors & Chairman of the Committee is non-executive independent director. The Committee met 4 times during the year under review on 3<sup>rd</sup> May, 2010, 31<sup>st</sup> July 2010, 2<sup>nd</sup> November, 2010 and 4<sup>th</sup> February, 2011.

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

<b>Name of Director</b>	<b>Designation</b>	<b>No. Of Meeting Attended</b>
Mr. N. S. Ranganath	Chairman	4
Mr. Mit M. Shah	Member	4
Mr. Ashok Shah	Member	3

In order to facilitate prompt and efficient services to the Shareholders, for transactions in connections with transfer, transmission, dematerialization etc. Company has appointed M/S Purva Sharegistry (India) Pvt. Ltd. as Registrar & Share Transfer Agent as per the circular issued by the SEBI.

The compliant received during the year were resolved promptly.