

# **28th Annual Report 2012 - 2013**

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

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**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 (Resign w.e.f. 7th March,2013)
Dr. Mahendra C. Shah	Director
Mr. Vikram Shah	Director (Appointed w.e.f. 11th March,2013)

**AUDITORS**

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

**BANKERS**

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Indian Overseas Bank  
Secunderabad

**REGISTERED OFFICE**

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

**FACTORY**

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

**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 Eight Annual General Meeting of the Members of Globus Corpooration Limited (Previously known as Karuna Cables Limited) will be held on Saturday 21st day of September 2013 at 11.00 A.M. at The Swastik League Hall, 324-A Vithalbhair 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 2013 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 thought fit to pass with or without modification the following resolution as on Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 257 and all other applicable provisions, if any, of the Companies Act 1956, Mr. Vikram R Shah, who was appointed by the Board of Directors as Additional Director as per the provisions of Section 260 of Companies Act 1956, at their meeting held on 18th March, 2013 and who hold office up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing along with requisite Deposit as per the provisions of Section 257 of Companies Act 1956 from a member proposing the candidature of Mr. Vikram R. Shah, for the office of the Director, be and is hereby appointed as a Director of the Company."

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

**Date: 28th May, 2013  
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 explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of Special Businesses is annexed hereto.
3. 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.
4. 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.
5. The Share Transfer Books and the Register of Members will remain closed from Tuesday, the 17th of September 2013 to Saturday, 21st September 2013 (both days inclusive).
6. 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	28 Years
Qualification	B.A (Hons)
Expertise in Specific Area	Finance & Marketing
Date of First Appointment on the Board of the Company	31st July, 2007
Name(s) of the other companies in which Directorship held and Committee Membership/Chairmanship held.	Director-Hamm Securities Pvt. Ltd.

7. At the ensuing Annual General Meeting Mr.Vikram Shah Director who was appointed by the Board of Directors as Additional Director w.e.f. 11.3.2013 whose terms of appointment expires in the ensuing Annual General Meeting and nomination from a member is being received proposing his candidature for reappointment as director, the brief resume of this director is as under:-

Name	Mr.Vikram R Shah
Age	71 yrs
Qualification	Metriulate
Expertise in Specific Area	Metal buisness
Date of First Appointment on the Board of the Company	11th March, 2013
Name(s) of the other companies in which Directorship held and Committee Membership/Chairmanship held.	NIL

8. 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.
9. 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: 28th May, 2013  
Place: Mumbai

Mr. Mit M. Shah  
Whole Time Director

**EXPLANATORY STATEMENT  
PERSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**ITEM NO. 4**

Mr. Vikram R. Shah was appointed as an additional director of the company w.e.f. 11th March, 2013 by the Board of Directors of the company, at their meeting, as per the provisions of Section 260 of Companies Act 1956. He holds office of the Company up to the conclusion of the ensuing Annual General Meeting. As required by Section 257 of the Companies Act 1956, a notice has been received from a member signifying his intention to propose the candidature of Mr. Vikram R. Shah as Director of the Company. The Board recommends his appointment as Director.

None of the Directors are concerned or interested in this resolution.

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

Date: 28th May, 2013  
Place: Mumbai

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

## DIRECTORS' REPORT

Your Directors have pleasure in presenting their TWENTY EIGHT ANNUAL REPORT together with the Audited Accounts of the Company for the year ended on 31st day of March 2013.

### FINANCIAL HIGHLIGHTS :

	For the year ended on 31.03.2013	(Rs. in Lacs) For the year ended on 31.03.2013
Turnover	227.26	2275.13
Other Income	203.04	1.26
Total Income	430.29	2276.39
Total Expenditure	867.10	2470.75
Profit / (Loss) before Taxation	(436.81)	(194.36)
Deffered Tax	52.57	5.45
Profit / (Loss) after Taxation	(384.22)	(188.91)

### OPERATIONAL REVIEW :

The Sales for the period ended 31.03.2013 were at Rs 227.26 lacs as against Rs.2275.13 Lacs for the previous year. The loss After Tax is Rs 384.22 Lacs against loss after Tax of Rs 188.91 Lacs for the previous year.

### FUTURE OUTLOOK-

In the board meeting dated 28th July it was decide to suspend manufacturing operation & dispose of plant & machinery because of Power shortage in the State of Andhra Pradesh. Power is available only for 3 days a week. Due to unrest and political instability in the State of Andhra Pradesh due to the Telangana – Andhra Issue there has been considerable labour unrest and lack of Government spending and investments. The Plant machinery is over 20 years old and has frequent break down resulting lack of production and increase in electricity and labour costs. The Company's proposal for increase in working capital and term loan for achieving economies of scale was rejected by the bank for lack of co-lateral even after pledging the land, plant & machinery and giving personal guarantees of Directors.

The company has yet to take a decision for manufacturing or trading of suitable products in the state of Maharashtra. The Company has decided to reassess the opportunities, scope, threat and value of company.

The Company has obtained necessary approval of the members for sale, transfer or otherwise dispose off, Building, Plant & Machinery and Land situated at Hyderabad under section 293(1)(a) of the Companies Act, 1956 read with postal ballot rules through process of postal ballot on 7th June, 2013.

### DIVIDEND :

In view of the loss and suspension of the company's operation, your Directors are unable to recommend any dividend 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. 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.

Mr.Vikram R.Shah was appointed as Additional Director w.e.f. 11th March, 2013 in the Board Meeting held on 18th March, 2013, who hold office up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing along with requisite Deposit as per the provisions of Section 257 of Companies Act 1956 from a member proposing the candidature of Mr.Vikram R. Shah for the office of the Director.

During the year under review Further Mr. Ashok Shah has resigned from the post of director w.e.f. 7th March, 2013. The Board placed their sincere appreciation for the services rendered by him during his tenure.

### 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 :

The Auditors M/s Sandip V. 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.

### 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.

**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 CORPOORATION LIMITED

Date: 28th May, 2013  
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.</b>	<b>Particulars</b>	<b>31-03-2013</b>	<b>31.03.2012</b>
1	Electricity		
	a. Purchased Units	6909	58484
	Total Amount in Rs.	248301	692062
	Average Rate	35.93	11.83

*(The rate per unit of Electricity has been increased due to fixed cost for minimum consumption, which is not achieved due to lower manufacturing activity.)*

	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 (Lit)	----	----
	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: 28th May, 2013  
Place: Mumbai

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

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Your Directors hereby present the Management Discussion and Analysis report for the year ended on 31st March 2013.

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

Globus Corpooration Limited has been engaged in manufacturing ACSR, AAA Conductors. The power sector is a key infrastructure back bone of the country, which needs to grow faster than the average growth of the economy. The electrical conductor industry has become very unstable. Out of 35 Companies in the State of Andhra Pradesh only 4 are operational. Due to stalled reforms, lack in demand of conductors from government or private sector, non-availability of power and labour, unrest in the region and higher cost of finance and increased overheads has lead the Company to operational losses. The Company now has reached a stage where it cannot sustain itself. With increasing electricity cost, frequent power cuts of 4 days a week, higher interest costs, volatile raw material price fluctuations and delayed payments from customers the Company has decided to suspend all Manufacturing and Job Work activity in the interest of abundant precaution, and for preserving economic value of the company and as prudent norms of business. Company has decided to reassess the opportunities, scope, threat and value of company.

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

The world and local economies have not improved. Manufacturing in India is at its all time low. The government (both Center and State) have given no help to help SSI (Small Scale Industries) in the manufacturing sector. The Telangana issue has been hampering the production and business. The Company could not manufacture and deliver the material in time due to frequent power cuts and "Bandhs" in the name of Telangana. This has led the Company to incur penalty and has sustained losses. The instability of the world economy has led to very high volatility of raw material prices. This has also led to losses. The above factors have had an adverse effect on the demand for conductors in the State of Andhra Pradesh.

### **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 has been appointed to reassess the value of assets and liabilities of the company in light of closure of business activity.

### **e. OUTLOOK:**

The future of the industry does not look quite encouraging in the short to medium term. The company has decided to dispose of land, building plant & machinery in the board meeting dated 28th July, 2012

Due to above mentioned grim factors it is not possible to continue running business. Hopefully in the long term the world economic crisis may have stabilized to create a better outlook for the Industry.

The Company is assessing and evaluating other options and area for business.

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

The company has paid all dues to their laborer along with provident fund and is thankful to all its laborers for their continued support.