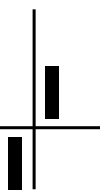


# **32nd Annual Report 2016-2017**

**GLOBUS CORPOORATION LIMITED**  
(Formerly Known as Karuna Cables Limited)  
CIN NO.: L33115MH1984PLC121000

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## **GLOBUS CORPOORATION LIMITED**

CIN: L33115MH1984PLC121000

### **32<sup>nd</sup> ANNUAL REPORT 2016 - 2017**

#### **BOARD OF DIRECTORS**

<b>MAHENDRA C. SHAH</b>	<i>Chairman</i>
<b>N.S. RANGANATH</b>	<i>Independent Director</i>
<b>PRITI K. SHAH</b>	<i>Women Independent Director</i>

#### **Auditors**

Messrs Sandip V. Doshi & Co.  
Chartered Accountants

#### **Register & Transfer Agent**

Purva Shareregistry (I) Pvt. Ltd,  
9, Shiv Shakti Industrial Estate,  
Sitaram Mill Compound,  
J. R. Borich Marg, Lower Parel,  
Mumbai – 400 011

#### **Bankers**

Indian Overseas Bank  
Secunderabad

#### **Registered office**

102, Sanjay Chambers, Choubal Lane,  
V. P. Road, Opera House,  
Mumbai – 400 04  
Tel : 022 – 2387 3609  
Web: www.globuscorp.co

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**GLOBUS CORPOORATION LIMITED**

CIN: L33115MH1984PLC121000

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

Phone: (+91-22) 2387 3609

Email: [investor@globuscorp.co](mailto:investor@globuscorp.co). Website: [www.globuscorp.co](http://www.globuscorp.co)

**NOTICE**

Notice is hereby given that the 32<sup>nd</sup> Annual General Meeting of the shareholders of M/s. Globus Corpooration Limited shall be held on Monday, the 25<sup>th</sup> day of September, 2017 at 11.00 a.m. at The Swastik League Hall, 324-A Vithalbhair Patel Road, Opera House, Mumbai – 400 004 India to transact the following businesses as:

**ORDINARY BUSINESS:**

1. To consider and adopt the audited financial statements of the Company for the year ended March 31<sup>st</sup>, 2017 together with the Reports of Directors and Auditor's thereon.
2. To appoint a Director in place of Mr. Mahendra C. Shah (DIN: 01650375) who retires by rotation and being eligible, seeks re - appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 (2) and 142(1) of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the reappointment of the statutory auditors of company M/s Sandip V. Doshi & Co, (Registration No : 048949), Chartered Accountants, be and is hereby ratified by the members of the company for the financial year 2017-2018 at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, based on the recommendation of the Audit Committee, plus applicable tax and reimbursement of travelling and other incidental expenses to be incurred by them in the course of their audit."

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass, with or without modification(s), the following as a special Resolution.  
"RESOLVED THAT pursuant to the provision of the Section 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-entrenchment thereof for the time being in force), the consent of the Company be and is hereby accorded to ratify the related party transactions carried by the Company for sale of Car to Mr. Mit Shah who is relative of Mr. Mahendra Shah, Managing Director of the Company for a sum of Rs. 2,90,000/-.  
"RESOLVED FURTHER THAT the Board of Directors of the Company and/or a Committee thereof, be and is hereby, authorized to do or cause to be done all such acts, matters, deeds and things and to settle and queries, difficulties, doubts that may arise with regard to any transaction with related party and execute such agreements, documents, and writings and to make such fillings, as may be necessary or desirable for the purpose of giving effect, to this resolution, in the best interest of the Company."

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

Sd/-

**Mahendra C. Shah**  
Chairman

(DIN No. 01650375)

Registered Office:  
102, Sanjay Chambers, Choubal Lane,  
Opera House, Mumbai- 400 004.

Date: 14<sup>th</sup> August, 2017

**Notes:**

1. Explanatory statement pursuant to Section 102(1) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder with respect to Special Business set out in the Notice is annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE 'MEETING') IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE THE TIME FOR HOLDING THE MEETING.

Proxy/Proxies submitted on behalf of limited Companies, etc., must be supported by appropriate resolutions / authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) members and holding in the aggregate not more than ten (10) per cent of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than ten (10) percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. Only registered Members of the Company or any proxy appointed by such registered Member may attend and vote at the Meeting as provided under the provisions of the Companies Act, 2013. In case any shareholder has voted electronically, then he/she can participate in the Meeting but shall not have a right to vote.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 23<sup>rd</sup> September 2017 to Monday, 25<sup>th</sup> September 2017 (both days inclusive) for the purpose of Annual General Meeting.
5. Duly executed and stamped transfer deeds, along with the share certificates, should be submitted to the Company's Registrar and Share Transfer Agents before the closure of the Register of Members for registration.
6. Corporate Members are requested to send a duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013/ Power of Attorney authorizing their representative(s) to attend and vote on their behalf at the Meeting.
7. Members holding shares in physical form and wishing to make / change in a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 may submit the prescribed particulars in Form No. SH-13 (Nomination Form) or SH-14 (Cancellation or Variation of Nomination), to the Company.
8. The Company has entered into necessary arrangement with National Security Depository Limited NSDL to enable the Shareholders to dematerialize their shareholding in the Company for which they may contact the Depository Participant.
9. Electronic copy of the Annual Report, Notice of the Meeting of the Company inter-alia indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Meeting of the Company inter alia indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
10. In view of Go Green initiative being undertaken by the Company, Members who have not yet registered their e-mail address so far are requested to register/update their e-mail addresses with the Company's RTA or with the Company. Shareholders holding shares in dematerialized form are requested to register their e-mail addresses and changes therein with the concerned Depositories through their Depository Participant.
11. Members are requested to bring their copy of Annual Report to the Meeting. A member desirous of getting any information with regard to Accounts of the Company is requested to send the queries to the Company at least 10 days before the meeting to the Company Secretary at the Registered Office of the Company.
12. Members are requested to mention their Folio Number/ Client ID/DP ID Number (in case of shares held in dematerialized form) in all their correspondence with the Company / Depository Participant in order to facilitate response to their queries promptly.

13. Members are requested to produce the enclosed attendance slip duly signed as per the specimen signature recorded with the Company/Depository Participant for admission at the entrance to the place of the meeting.
14. Members who are holding shares of the Company in physical form through multiple folios in identical order of names are requested to write to the Company, enclosing their share certificates, to enable the Company to consolidate their holdings in one folio.
15. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote, whether in person or by proxy.
16. Members are requested to contact the Company's RTA for reply to their queries/redressal of complaints.
17. Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meeting, the relevant details of Director seeking re-appointment are provided as below:

Name	MR. MAHENDRA C SHAH
Date of Birth	24.01.1949
Directors Identification Number (DIN)	01650375
Age	68 years
Qualification	MBBS
Expertise in Specific Area	Cables & Conductors, Healthcare
Date of first Appointment on board of the Company	29.06.2012
Shareholding in the Company	2144750
List of Directorship held in other listed companies	NIL
Membership/Chairmanships of Audit and stakeholders relationship committees	Refer to Report on CORPOARTE GOVERNANCE

18. Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 read with Rules made thereunder will be available for inspection by the members at the Meeting.
19. The relevant documents referred to in this Notice are open for inspection at the Meeting and such documents will also be available for inspection in physical or in electronic form at the registered office and copies thereof shall also be available for inspection in physical or electronic form at the registered office from the date of dispatch of the Notice till the date of the Meeting on all working days, from 10 a.m to 12:00 noon, except Sunday.
20. A Route map showing directions to reach the venue of 32<sup>nd</sup> Annual General Meeting is given at the end of the Notice of Annual General Meeting as per the requirement of the Secretarial Standards-2 on "General Meeting".
21. Due to severe financial crises the company is unable to provide to its members the e-voting facilities under the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and sub clause (1) & (2) of Regulation 44 of SEBI (LODR) Regulations, 2015.

The facility for voting through ballot paper shall also be made available at the venue of the AGM and the members attending the AGM, meeting shall be able to exercise their voting rights at the meeting through ballot paper.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013  
AND OTHER APPLICABLE PROVISIONS**

Item No. 4 Approval for entering into Related Party Transactions by the Company

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between related parties of the Company. The Provision of Section 188(1) of the Companies Act, 2013 that govern the Related Party Transaction, requires that for entering into any contracts or arrangement as provided in the provisions of Section 188 with related party, the Company must obtain prior approval of the Board of Directors, and in case of the Company having paid up share capital of Rupees Ten Crore or More, prior approval of the shareholders by way of a special Resolution must be obtained:

It is also provided that any contract or arrangement entered into u/s 188(1) may be ratified by the Board or as the case may be, by the shareholders within the time period provided in the proviso to Section 188(3).

In the light of the provisions of 2013 Act, the Audit Committee and the Board of Directors of your company has approved the transactions alongwith the limits that the company may enter into with its Partly.

All the prescribed disclosures as required to be given under the provisions of the Companies Act, 2013 and the Company's (Meetings of Board and its power) Rules, 2014 are given herein below in a tabular format for kind perusal of members:

Particulars of Transactions for the purpose of ratification and approval u/s 188 of the Companies Act, 2013

Sr. No.	Nature of the Transaction as per Section 188 of the Companies Act, 2013	Name of the Director/ KMP who is related and nature of their relationship	Name of the Related party	Amount in (Rs.)	
				Receipts	Payments
1	Sale of Car to Mr. Mit Shah	Mr. Mahendra C. Shah Chairman and Managing Director carrying interest	Mr. Mit M. Shah	Rs.2,90,000/-	-

- (a) Name of the related party; As provided in the table above.
- (b) Name of the director or key managerial personnel who is related: Mr. Mahendra Shah, Managing Director
- (c) Nature of relationship: Father
- (d) nature, material terms, monetary value and particulars of the contract or arrangement: It is one time transaction of sale of Car not required for day to day business activities of the company and is sold at reasonable market cost to Mr. Mit Shah, relative of Mr. Mahendra Shah, Managing Director of the Company;
- (e) any other information relevant or important for the members to take a decision on the proposed resolution: Nil

Members are hereby informed that pursuant to second proviso of Section 188(1) of the Companies Act, 2013 no member of the company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

Since the transaction could construed as being outside the ordinary course of business, the approval of the Company Under Section 188 of the Company Act, 2013 is being sought by way of an Special Resolution.

None of the Directors and KMP and their relatives except Mr. Mahendra Shah, Managing Director of the Company are deemed to be concerned or interested, financial or otherwise in the proposed special resolutions except to the extent of their shareholding and interest mentioned herein above, in the company.

By order of the Board of Directors  
**For GLOBUS CORPOORATION LIMITED**  
Sd/-  
**Mahendra C. Shah**  
Chairman  
(DIN No. 01650375)

Registered Office:  
102, Sanjay Chambers, Choubal Lane,  
Opera House, Mumbai- 400 004.

Date: 14<sup>th</sup> August, 2017

## BOARD'S REPORT

**Dear Members,**

Your Directors have pleasure in presenting the 32<sup>nd</sup> Annual Report along with the Audited Financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2017.

### FINANCIAL PERFORMANCE:

The summarized standalone and consolidated financial results of your Company and its subsidiaries are as follows:

### FINANCIAL HIGHLIGHTS

(Rs. In Lacs)

Particulars	Standalone	
	2016-2017	2015-2016
Gross Income	8.01	15.06
Profit Before Finance Cost & Depreciation	(52.95)	39.57
Finance Charges	0.19	0.28
Other Expenses	60.96	54.63
Profit before Depreciation	(53.14)	(39.85)
Depreciation	28.72	28.99
Net Profit Before Tax	(81.86)	(68.85)
Provision for Tax	Nil	Nil
Differed Tax	5.70	8.72
Net Profit After Tax	(87.56)	(77.57)
Balance of Profit brought forward	(87.56)	(77.57)
Balance available for appropriation	Nil	Nil
Proposed Dividend on Equity Shares	Nil	Nil
Tax on proposed Dividend	Nil	Nil
Transfer to General Reserve	Nil	Nil
Surplus carried to Balance Sheet	(87.56)	(77.57)

\*previous year figures have been regrouped/rearranged wherever necessary.

### SUMMARY OF OPERATIONS & STATUS OF THE COMPANY:

During the year, the company has incurred loss of Rs.87.56 Lakhs(Previous Year Loss 77.57 Lakhs).

The operations of the company suffered since 2012 severely on account of disrupted supply of electricity and due public unrest in and around city of Hyderabad on account of Bifurcation of the state.

The plant is closed during the year. Your company has proposed to reschedule of the Term loan and sanction of the working capital loan for the revival of the unit. However Bank is in no mood to oblige. The bankers of the company did not reply on the subject matter. As such bank gave the notice for the Auction of the property to recover their dues. The IOB Bank informed that they have disposed the Fixed assets of the company for Rs.3,20,50,000/- by e-Auction.

In current state there is complete erosion of capital and we are unable to raise any additional fund.

### LISTING FEES & ANNUAL FEES:

The Company hasnot paid the Annual Listing fees to Bombay Stock Exchange,National Security Depository Ltd,Central Depository security Ltd for the year2015-2016& 2016-2017 on account of severe financial crunch. The Management has written a detailed letterwith reasonsto the respective Corporate Body showing its inability to pay the fees. However the Bombay Stock Exchange has restricted the trading of the Company with reason- on account of GSM.

### MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

The bank has disposed the fixed assets of the company and so material changes and commitments have occurred subsequent to the close of FY 2016-17.

**TRANSFER TO RESERVES:**

For the financial year ended 31st March, 2017, no amount is transferred to General Reserve Account.

**DIVIDEND:**

In view of past losses, Directors did not recommend any dividend for the equity shareholders for the financial year 2016-17.

**DIVIDEND DISTRIBUTION POLICY:**

Pursuant to Regulation 43A of LODR Regulation 2015, the regulations related to Dividend Distribution Policy is not applicable to the Company.

**DEPOSITS:**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

**SHARE CAPITAL:**

As on 31<sup>st</sup> March, 2017, **the issued, subscribed and paid up share capital of your Company stood at Rs. 12,77,18,000/-** comprising of 6,38,59,000 Equity shares of Rs. 2/- each.

**CORPORATE GOVERNANCE:**

Your Company complies with the provisions laid down in Corporate Governance laws to the extent possible. It believes in and practices good corporate governance. The Company maintains transparency and also enhances corporate accountability. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges and SEBI (Listing and Disclosure Requirements) Regulation 2015, the following forms part of this Annual Report:

- i) Declaration regarding compliance of Code of Conduct by Board Members and Senior Management Personnel;
- ii) Management Discussion and Analysis;
- iii) Report on the Corporate Governance; and Auditors' Certificate regarding compliance of conditions of Corporate Governance.

**CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

The Provision of Section 135 and Schedule VII of the Companies Act, 2013 in respect to Corporate Social Responsibility (CSR) is not applicable on the Company

**DETAILS OF SUBSIDIARY COMPANIES/JOINT VENTURE:**

During the year under review, no Company has become or ceased to be a Subsidiary/Joint Venture/ Associate Company of your Company.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The Company have not given any loans, guarantees or made any investments under Section 186 of Companies Act, 2013 during the financial year 2016-17.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:**

Your Company does not have any activity relating to conversion of energy or technology absorption.

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

There were no foreign exchange earnings and outgo during the year under review.

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:**

The Company does not have any employees drawing remuneration in excess of the limits specified in Section 197(12).

**RATIO OF REMUNERATION OF EACH DIRECTOR**

The information required pursuant to Section 197 read with Rule 5 (1) (i) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of ratio of remuneration of each director to the median remuneration of the employees of the Company for the Financial Year, will be made available for inspection

at its registered office of the Company during the working hours for a period of twenty one days before the date of annual general meeting of the company pursuant to Section 136 of the Companies Act, 2013 and members, if any interested in obtaining the details thereof, shall make specific request to the Company in this regard.

**CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:**

All the related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. However section 188 requires that for entering into any contracts or arrangement as provided in the provisions of Section 188 with related party, the Company must obtain prior approval of the Board of Directors, and in case of the Company having paid up share capital of Rupees Ten Crore or More, prior approval of the shareholders by way of a special Resolution must be obtained.

During the period under review, the Company has sold the car to relative of Mr. Mahendra Shah, Managing Director of the Company. The car is being sold at reasonable market price to the relative of Managing Director.

The Board thus now proposed to ratify the same in the ensuing Annual General Meeting.

Suitable disclosures as required under AS-18 have been made in the Notes to the financial statements.

**RISK POLICY:**

The Company has formulated Risk Management Policy. The Board takes all necessary steps to identify and evaluate business risks and opportunities and take corrective steps.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an Internal Control System, commensurate with the size of its operations. Internal control systems.

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss 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 this 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.
- v. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi. The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

**DIRECTORS:**

**Changes in Board constitution, Directors & Key Managerial Personnel:**

In accordance with the provisions of the Companies Act, 2013, Mahendra C. Shah, (DIN No. 01650375) Managing Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting. Members are requested to refer the Notice of ensuing Annual General Meeting for brief profile and other related information of Mr. Mahendra C Shah, Director retiring by rotation.

During the year under review, there were no changes in the Board of Directors of the Company.

During the year, the non-executive directors of the Company had no pecuniary relationship or transaction with the Company, other than reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

**KEY MANAGERIAL PERSONNEL:**

Pursuant to the provision of Section 203 of the Act, the key managerial personnel of the Company are Mr. Mahendra C. Shah Managing Director and Mr. Jitendra S. Shah Chief Financial Officer. There has been no change in the key managerial personnel during the year.

**DECLARATION BY INDEPENDENT DIRECTORS:**

The Company has received declarations pursuant to Section 149(7) from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Board Meetings**

The Board of Directors of your Company met 4 Times during the year to carry the various matters. The Meetings were convened on 24<sup>th</sup> May, 2016, 13<sup>th</sup> August, 2016, 4<sup>th</sup> November, 2016 14<sup>th</sup> February, 2017 and further details of which are given in the Corporate Governance Report forming part of this Annual Report.

**BOARD EVALUATION:**

The Board of Directors has made the formal annual evaluation of its own performance and that of its committees and individual directors and found it to be satisfactory.

**POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND KMP AND REMUNERATION POLICY:**

The Company's policy on director's appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which form part of this report.

**NOMINATION AND REMUNERATION COMMITTEE:**

The composition and terms of reference of the Nomination and Remuneration Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report.

**AUDIT COMMITTEE:**

The Audit Committee comprises of Mr.N.S. Ranganath who serves as the Chairman of the Committee and, Mrs. Priti K. Shah & Dr. Mahendra C. Shah as other members. The terms of reference of the Audit Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report. All the recommendations made by the Audit Committee during the year were accepted by the Board.

**VIGIL MECHANISM:**

The Company has a vigil mechanism in terms of Section 177 of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement to deal with instance of fraud and mismanagement, if any, and to report concerns about unethical behavior, wrongful conduct and violation of the Company's code of conduct or ethics policy.

**AUDITORS:**

Pursuant to the provision of Section 139 of the Act and the rules framed thereafter, M/s. Sandip V. Doshi & Co., Chartered Accountants, who are Statutory Auditors of the Company hold office up to the forthcoming Annual General Meeting and are recommended for ratification of re-appointment for the financial year 2018-19.

As required under the provisions of section 139(1) of the Companies Act, 2013, the Company has received a written consent from M/s Sandip V. Doshi & Co., to their appointment and a Certificate, to the effect that the ratification of their appointment, if made, would be in accordance with the Companies Act, 2013 and the Rules framed there under and that they satisfy the criteria provided in section 141 of the Companies Act, 2013.

The Members are requested to ratify the appointment of the Statutory Auditors as aforesaid and fix their remuneration.

**STATUTORY AUDITORS' OBSERVATIONS & COMMENTS FROM BOARD:**

- (a) The internal control system for the sale of services for analogue subscription is inadequate since the Company does not have written agreements with customers in some cases which are an industry issue as per management: - Since there is no Purchase & sales during the year Internal control system for the sale of services do not arise
- (b) In our opinion, the frequency of the physical verification of the network equipment needs to be improved further having regard to the size of the Company and the nature of its assets. The fixed assets register does