

ANNUAL REPORT 2011-2012
GLOBUS SPIRITS LIMITED





Globus Spirits



Globus Spirits

BOARD OF DIRECTORS

CHAIRMAN

Mr. Gautam Premnath Khandelwal
(Non Executive & Independent Director)

MANAGING DIRECTOR

Mr. Ajay Kumar Swarup

EXECUTIVE DIRECTORS

Mr. Manik Lal Dutta
Dr. Bhaskar Roy (Director-Finance & CFO)
Mr. Shekhar Swarup

WHOLETIME DIRECTORS & OCCUPIER

Mr. Rajesh Kumar Malik
Mr. Rameshwar Dayal Aggarwal

NON-EXECUTIVE & INDEPENDENT DIRECTORS

Mr. Joginder Singh Dhamija
Mr. Santosh Kumar Bishwal
Mr. Satinder Lachhman Singh
Mr. Vivek Gupta
Mr. Kunal Agarwal

Auditors : M/s B.M. Chatrath & Co.
Chartered Accountants,
A-78, IInd Floor, Sector-4, NOIDA-201301 (U.P.)

Bankers : State Bank of India
HDFC Bank Ltd.
HSBC Bank Ltd.

Registered office : A-46, Friends Colony (East), New Delhi - 110065

Corporate office : F-0, Ground Floor, The Mira Corporate Suites,
Ishwar Nagar, Mathura Road, New Delhi-110065

Registrar & Share Transfer Agents : Link Intime India Private Limited
A-40, 2nd Floor, Naraina Industrial Area, Phase-II,
Near Batra Banquet Hall, New Delhi-110028

Stock Exchanges where the Company is listed : 1) Bombay Stock Exchange
2) National Stock Exchange

Website : www.globusspirits.com

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DELUXE WHISKY





Globus Spirits

Chairman's Note

Dear Shareholders,

It is a pleasure to write to you once again. It has been a landmark year for GSL given that we have crossed the 10 million cases mark in the IMIL segment for the first time in our history. We have closed the year with record sales of over 12 million cases. This is a momentous achievement given the way GSL has created a niche for itself through product based innovations and focused branding in the highly commoditized IMIL space. Our core strength lies in our unique 360° business model which straddles across all segments of the spirits value chain (consumer facing and manufacturing). This not only insulates us from risk in price movement of any one of the products but also ensures greater quality control over the entire value chain.

The IMIL segment has been a traditional bastion for GSL. We have made concerted efforts to reinvent ourselves and consolidate our stronghold in the North Indian IMIL markets. It gives me immense pleasure and satisfaction to say the least that we have changed the face of this industry. Our strategy to brand IMIL with the launch of 'Nimboo' in the state of Haryana has received phenomenal consumer response. It has turned into a ~Rs.3,500 million brand at the retail level. GSL has revolutionized the product, packaging and branding to make a truly unique product in a heavily commoditized market. The idea is to implement this strategy to other states as well. The IMIL industry in the North Indian states is showing healthy volume growth and the company is geared to meet evolving needs of the bottom-of-the-pyramid consumers.

Coming to the branded IMFL space, GSL continues to strengthen its marketing and distribution network. The idea here is to build a robust platform from where we can launch higher value added products. We are also adding newer markets and newer products as witnessed by the launch of 'Country Club' in Delhi and 'French Castle' in the states of AP & Kerala. We now have a distribution reach extending to eight states i.e., Haryana, Rajasthan, Chandigarh, Punjab, Himachal Pradesh, Kerala, Andhra Pradesh and Delhi which contribute ~40% to branded IMFL industry. In addition we also have a plan to build a premium product portfolio in collaboration with international partners enjoying strong brand equity globally. This is a young business and remain committed to development of the same through sustained brand building along with building a strong marketing and distribution network.

The Franchisee Bottling business is witnessing strong traction post the signing of a new agreement with USL and revival of bottling operations for Jagatjit Industries. This business is a proxy play on the rapid growth of the branded IMFL industry. The initial contract with USL will contribute volumes of ~0.75 million cases per year and is expected to ramp up significantly going forward. We will start with bottling Bagpiper Whisky which will be followed by Moghul Monarch and Derby Special. The arrangement further strengthens GSL's alliances in the franchisee bottling segment and will enable guaranteed utilization of capacities coupled with higher margins compared to the sale of bulk spirit. GSL can proudly claim to manufacture two of the world's largest selling whiskies, Bagpiper and Officer's Choice. The bottling business is also of sticky nature and allows us to capitalize on the growth of branded IMFL industry with limited investments.

Coming to bulk alcohol space, our capacity which has increased from 43.2 million liters to 84.4 million liters p.a., the operations have stabilized and our new plants are now operating at high capacity utilization. We also have plans to increase our capacity further to about 120 million liters for which we have already placed necessary orders for plant and equipment and they are in advanced stage of erection at our distilleries. We are adding 40 million litres of zero effluent discharge capacities at a much lower cost than industry norms. An important point to note is that over the last 3 years, we have achieved ~3x capacity expansion without any equity dilution. The bulk alcohol segment is expected to show strong growth given the macro situation vis-à-vis demand-supply gap for potable alcohol and implementation of ethanol blending requirements. GSL is well positioned to take advantage of the buoyancy in the bulk spirit prices due to its expanded capacities.

To put FY12 into perspective, GSL recorded strong topline growth and a small increase in profitability. It has to be kept in mind that FY12 also saw higher fuel and raw material costs. Our capacities have also completely stabilized and we believe that coming year will see the benefit of optimum utilization. We have taken steps to continuously fortify our 360° business model through differentiated strategies for each segment and remain confident of exhibiting a healthy operating and financial performance in FY13 as we reap the benefits of intra-segment synergies coupled with the robust demand outlook.

I am happy to announce that the Board has recommended a dividend of 12% per share.

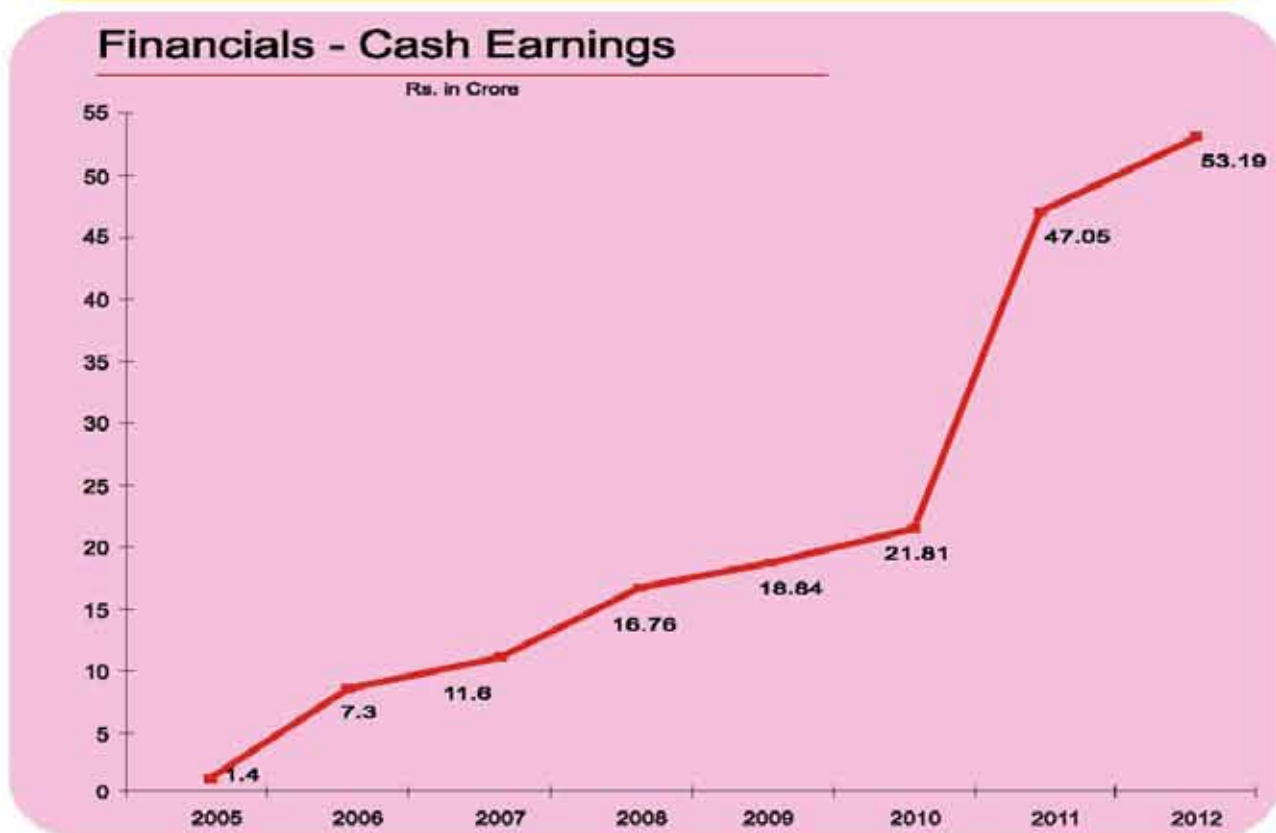
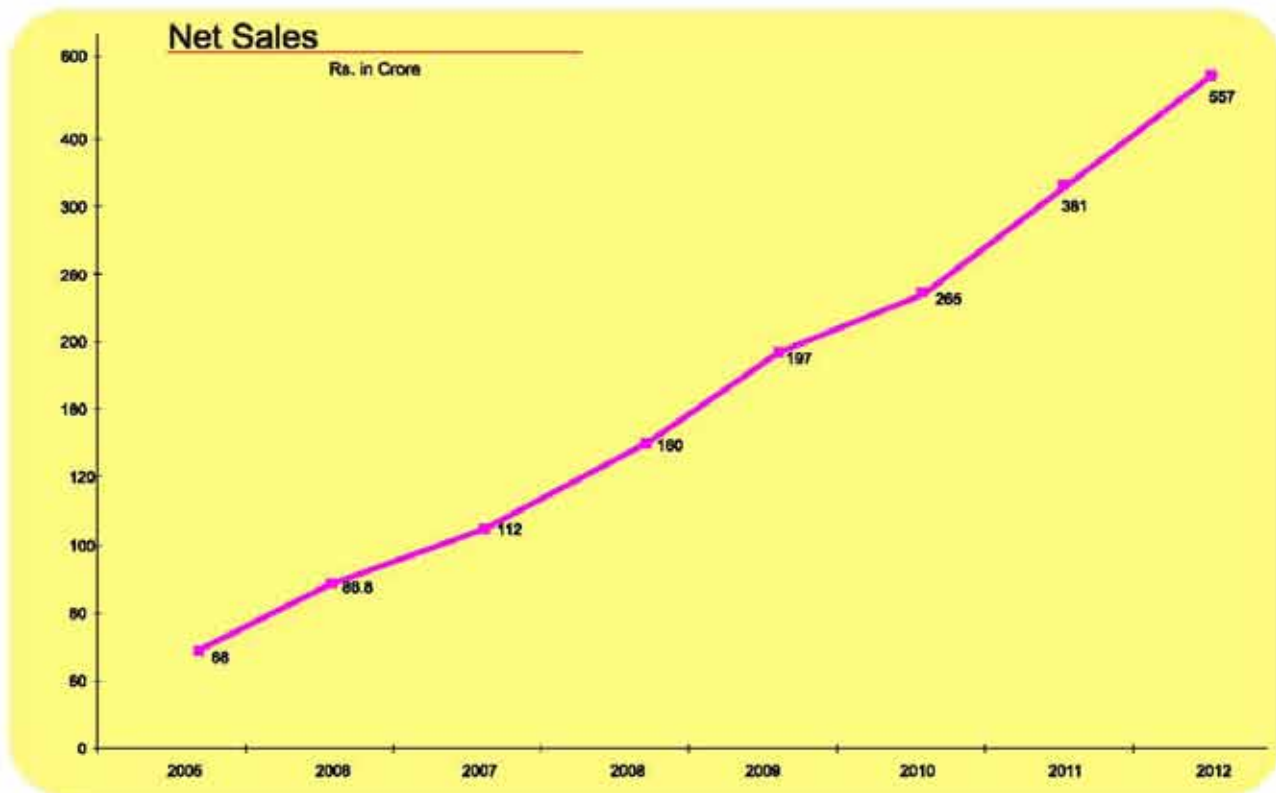
I would like to thank everyone, first and foremost our employees, our customers, bankers, financial institutions who have all stood by us and also our shareholder community for their faith in our growth story. I also wish to thank our other stakeholders for their continued support.

Place : New Delhi

Date : 11/08/2012

Sd/-
(Gautam Premnath Khandelwal)
Chairman

Financial performance & trends





DIRECTORS' REPORT

To the Members

Your Directors are pleased to present the Nineteenth Annual Report and Audited Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

	Current Year 2011-2012 (Rs. In Lacs)	Previous Year 2010-2011 (Rs. In Lacs)
Gross Sales	71,375.16	52,157.77
Profit/(loss) before Depreciation	7,014.50	6,234.03
Less: Depreciation	1,229.65	694.32
Profit/(Loss) after Depreciation	5,784.85	5,539.71
Profit/(Loss) before tax after Extraordinary items	5,775.14	5,539.71
Less: Provision for taxation	1,200.00	1,104.01
Deferred tax	485.90	442.54
Profit/ (Loss) after tax	4,089.24	3,993.16
Balance brought forward	9,794.08	6,169.10
Profit available for appropriation	13,883.31	10,162.25
Appropriations		
-Transfer to General Reserve	105.00	100.00
-Proposed Dividend	275.97	229.98
-Provision for Tax on Dividend	44.79	38.20
Balance Carried forward to Balance Sheet	13,457.55	9,794.08

PERFORMANCE REVIEW

During the year under review your Company reported an increase in Gross turnover by 36.84% from Rs.521.58 Crore (Previous year) to Rs.713.75 Crore (Current year) and an increase in PBT by Rs.2.45 Crore over the previous year and an increase in PAT by Rs.0.96 Crore over the previous year. The EPS of the company is Rs.17.78/- as compared to Rs.17.36/- in the previous year.

THE YEAR IN PERSPECTIVE

During the year, your Company strengthened its presence in both the bulk and the branded businesses in line with its vision of being a 360p player. The IMIL segment experienced robust growth at more than 40%, crossing ten million cases for the first time and concluding the years with 12.4 million cases. Your Company launched a new brand 'Nimboo' in the IMIL segment in the Haryana market, which within a short span of seven months increased your Company's market share from 20% to 27% in the state. In Rajasthan also, your Company improved its market share to 25%, while retaining its leadership position in the state of Delhi. The IMFL segment showed high volume growth at more than 25%, with your Company widening its distribution network in the states where it operates.

Your Company stabilized the new capacities which had been commissioned in the previous year and by end of fourth quarter was operating at 90% capacity utilization rate. The capacities across all three units at Behror (Rajasthan), Samalkha (Haryana) and Hisar (Haryana) now stand at 84.4 million litres. This will provide strong support to fuel growth in the branded and franchise business in coming years and keep these businesses insulated from any price increases in Extra Neutral Alcohol.

MATERIAL CHANGES AFTER MARCH 31, 2012

During the current year, commencing April 1, 2012, your Company entered into a new franchisee contract with United Spirits Ltd, a leading player in the IMFL segment. The initial contract will contribute volumes of ~0.75 million cases per year and is expected to ramp up significantly going forward. Your Company also revived the bottling operations for Jagatjit Industries Limited in its Samalkha unit at Haryana following a change in the excise policy. These arrangements strengthen GSL's alliances in the franchisee bottling segment and contribute to sustaining high utilization of bulk alcohol capacities coupled with higher margins compared to sale of bulk alcohol standalone.



Your Company has launched a new brand "French Castle" in the brandy segment (IMFL division) catering to the semi-premium market. This has been introduced in the states of Andhra Pradesh and Kerala. This is in line with your Company's long-term strategy of introducing brands in the higher value added segments. In addition, your Company has launched its flagship brand 'County Club' whisky in the Delhi market.

DIVIDEND

Your Directors are pleased to recommend dividend of Re. 1.20/- i.e. 12 % per equity share of Rs. 10/- each of the Company for the year 2011- 2012.

PUBLIC DEPOSITS

The Company has not accepted or invited deposits covered under the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules 1975 from any person.

DIRECTORS

During the year, Mr. Ajay K. Swarup whose period of office as Managing Director expired on December 1, 2011 was re-appointed by the Board with effect from such date for another term of five years. His reappointment as Managing Director of the Company is proposed for the consent of members in the forthcoming Annual General Meeting.

During the year Mr. Shekhar Swarup was inducted in the Board as an additional director of the Company and has been designated as Executive Director. Per section 269 of the Companies Act, 1956 read with schedule XIII of the Companies Act, 1956, the aforesaid appointment is proposed for the consent of members in the forthcoming Annual General Meeting.

During the year Mr. S.L.Singh, Mr. Vivek Gupta and Mr. Kunal Agarwal were also inducted in the Board as additional directors and were designated as Non-Executive & Independent Directors of the Company. They are also proposed to be regularized in the forthcoming Annual General Meeting. Mr. Joginder Singh Dhamija and Mr. Santosh Kumar Bishwal, Non-Executive & Independent Directors of the Company retire by rotation and being eligible offer themselves for re-appointment. The Board recommends their re-appointment.

During the year there were no other changes in the Board of Directors.

CORPORATE GOVERNANCE

As per requirement of Clause 49 of the Listing Agreement with the Stock Exchanges, a Compliance Report on Corporate Governance has been annexed as part of the Annual Report.

AUDITORS

M/s. B. M. Chatrath & Co., Chartered Accountants, Statutory Auditors of the Company had been appointed as Auditors at the last Annual General Meeting and retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. They have furnished a certificate to the effect, that the re-appointment, if made, will be in accordance with section 224 (1B) of the Companies Act, 1956.

AUDITORS' REPORT

The notes on accounts appearing in the schedule and referred to in the Auditors Report are self-explanatory and therefore do not call for any further comments or explanations. There are no adverse remarks/ qualifications in the auditor's report.

PARTICULARS OF EMPLOYEES

Statement pursuant to u/s 217 (2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1975, the name & other particulars of the employees are as follows:-

Sl. No.	Name	Age	Designation	Gross Remuneration	Qualification	Experience in years	Date of commencement of employment	Particulars of last employment
1	Mr. Ajay K. Swarup	53	Managing Director	75,00,000/- p.a. + other Perquisites	PGDBM (IIM, Kolkata)	28	December 01, 2006	M/s SVP Industries Ltd.

Further Mr. Ajay K. Swarup is holding 16,29,820 equity share in the company as on 11/08/2012.

CONSERVATION OF ENERGY / TECHNOLOGY ABSORPTION / RESEARCH & DEVELOPMENT ETC.

Particulars as required under the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988 are given in Annexure I and form part of this report.





PERSONNEL

During the year the company employed some senior and experienced employees in its management and the Company also maintained good relations with employees at all levels. The Directors place on record their appreciation of the contribution made by the employees towards the growth of the Company.

Management'S discussion and analysis of financial condition and results of operations.

Management's Discussion and Analysis Report has been annexed & forms part of the Annual Report.

Directors Responsibility Statement (Pursuant to Section 217(2AA)

1. In preparation of the Annual Accounts, the applicable Accounting Standards have been followed by the company.
2. Appropriate accounting policies have been selected and applied constantly and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company as at 31- March, 2012 and of the Profit of the Company for the year ended 31- March, 2012.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Annual Account has been made on going concern basis.

ACKNOWLEDGEMENT

The Board wishes to place on record its appreciation for the wholehearted support and valuable co-operation extended to the company by the Central & the State Governments, Bankers, Suppliers, Associates, Contractors, employees and shareholders.

For and on behalf of the Board of Directors

Sd/-

(Dr. Bhaskar Roy)

Director Finance & CFO

Sd/-

(Ajay K. Swarup)

Managing Director

Place: New Delhi
Date : 11/08/2012



Annexure I to the Directors' Report 2011-12

Particulars required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988.

(A) Conservation of Energy

Conservation of energy is a high priority area for the company and the company has some proposals for reduction of consumption of energy.

a) Energy Conservation Measures Taken:

The same has been shown on Management Discussion Analysis report as per annexure.

- 1) Setting up evaporators for all plants to concentrate effluent to give value addition of final product as cattle feed, zero discharge for environmental protection and water availability as hot condensate for process reuse, saving on use of fresh cold water and heat/energy saving.
- 2) Recycle of hot high temperature spent lyes and hot condensate streams for process/boiler and saving fresh cold DM water and energy in terms of heat saving with hot spent lyes.
- 3) Lowering the steam pressure in jet cookers to enable generation of power from steam used and reduce steam consumption to 50% of the present.

b) Additional Investments & Proposals, if any, being implemented for reduction of consumption of Energy:

- 1) Increasing alcohol percentage in fermentation thereby lowering effluent quantity generation and production at lower steam consumption per liter of product.
- 2) Reconfiguration of high temperature streams to reduce steam consumption in process such as liquefaction & evaporation.

c) Impact of measures at (a) & (b) above for reduction of energy consumption & consequent impact on the cost of production of goods:

-As mentioned in point (a)

(B) Technology Absorption

FORM - B

(Form for Disclosure of Particulars with respect to Absorption.)

- (i) The Company's plants are based on indigenous technology which has been fully absorbed.
- (ii) The Company does not have separate Research & Development Section. However, steps are being taken continuously for:
 - a Improvement in product quality
 - b Improvement in productivity
 - c Improvement in cost effectiveness
- (iii) Expenditure of R & DNil

(C) Foreign Exchange earnings & Outgo	2011-2012	2010-2011
Foreign Exchange earnings	Rs. 520.08lacs	Rs. 10.18lacs
Foreign Exchange used	NIL	NIL

For and on behalf of the Board of Directors

Sd/-
(Dr. Bhaskar Roy)
Director Finance & CFO

Sd/-
(Ajay K. Swarup)
Managing Director

Place: New Delhi
Date : 11/08/2012





Globus Spirits

CORPORATE GOVERNANCE REPORT

Your Company believes in conducting its affairs with the highest levels of integrity, with proper authorizations, accountability, disclosure and transparency. The Company strongly believes in maintaining a simple and transparent corporate structure driven solely by business needs. Shareholders' interests are on utmost priority and the management is only a trustee to carry out the activities in a truthful and fruitful manner.

The details of the Corporate Governance compliance by the Company as per the Clause 49 of the Listing Agreement with Stock Exchanges are as under:

A COMPLIANCE OF MANDATORY REQUIREMENTS:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance is the system by which companies are directed and managed. Good corporate governance structure encourages companies to create value (through entrepreneurship, innovation, development and exploration) and provide accountability and control systems commensurate with the risks involved.

Globus Spirits believes in ensuring true Corporate Governance Practices to enhance long term shareholders' value through corporate performance, transparency, integrity and accountability.

2. BOARD OF DIRECTORS

Composition

The Board of Directors of the Company consists of an optimal mix of Executive and Non-Executive & Independent Directors who have in-depth knowledge of business, in addition to expertise in their areas of specialization. The Directors bring in expertise in the fields of human resource development, strategy, management, finance and economics among others. The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that management adheres to high standards of ethics, transparency and disclosure.

As on 11th August 2012, the Board consisted of 12 Directors including Chairman being Non-Executive & Independent Director, one Managing Director and five more Non-Executive & Independent Directors, the rest five are Executive cum whole-time Directors. The Board meets the requirement of not less than one third being independent Directors. The size and composition of the Board conforms to the requirements of Clause 49 of the Listing Agreement (Corporate Governance Code) with the Stock Exchanges.

None of the Directors hold Chairmanship of more than 5 Committees or Membership in more than 10 committees of Public Limited Companies.

Board Functioning & Procedure

Globus Spirits believes that at the core of its corporate governance practice is the Board, which oversees how the management serves and protects the long-term interests of all stakeholders of the company. An active, well-informed and independent board is necessary to ensure the highest standards of corporate governance.

Globus Spirits believes that composition of board is conducive for making decisions expediently, with the benefit of a variety of perspectives and skills, and in the best interests of the Company as a whole rather than of individual shareholders or interest groups.

In accordance with the provisions of Clause 49 of the Listing Agreement, the Board meets at least once in every quarter to review the quarterly results and other items of agenda. The agenda is sent in advance to the Directors along with the draft of relevant documents and explanatory notes.

During the financial year 2011-12, 8(Eight) Board Meetings were held on 16/05/2011, 08/07/2011, 02/08/2011, 03/10/2011, 31/10/2011, 30/11/2011, 08/02/2012 and 21/02/2012.

The Composition of Board of Directors, their shareholding, attendance during the year and at the last Annual General Meeting, Number of other Directorships, Committee memberships and



Chairmanships held by them as at 11th August 2012 are given below:

Directors	Category	Shares held		Attendance		No. of other Directorships and Committee Memberships/ Chairmanships held \$		
		Number	%	Board Meetings during the FY 2011-12	Last AGM	Directorships	Committee Memberships	Committee Chairmanships
Shri Gautam Premnath Khandelwal	NE-I-C	33	0.00	0	No	2	2	1
Shri Ajay Kumar Swarup	MD-P	1629820	7.09	5	Yes	5	-	-
Sh. Shekhar Swarup	E-P	7000	0.03	NA	NA	2	-	-
Shri Manik Lal Dutta	E	2,100	0.00	8	Yes	-	-	-
Dr. Bhaskar Roy	E	100	0.00	8	Yes	1	-	-
Sh. Joginder Singh Dhamija	NE-I	NIL	0.00	5	Yes	-	-	-
Sh. Santosh Kumar Bishwal	NE-I	NIL	0.00	5	Yes	1	-	-
Sh. Rajesh Kumar Malik	WTD	490	0.00	3	Yes	-	-	-
Sh. Rameshwar Dayal Aggarwal	WTD	NIL	0.00	3	Yes	-	-	-
Sh. Satinder Lachhman Singh	NE-I	NIL	0.00	NA	NA	-	-	-
Sh. Vivek Gupta	NE-I	NIL	0.00	NA	NA	6	-	-
Sh. Kunal Agarwal	NE-I	215	0.00	NA	NA	-	-	-

C = Chairman, MD = Managing Director, WTD = Whole-time Director, E = Executive, NE= Non-Executive Director, P = Promoter, I = Independent

\$ Includes Directorships and Committee Memberships in Public Limited Companies

Note:

1. Only Audit Committee and Shareholders' Grievance Committee are considered for the purpose of Committee position as per Listing Agreement.
2. Private Limited Companies, Foreign Companies and companies under Section 25 of the companies Act, 1956 are excluded for the above purposes.
3. All the independent Directors fulfill the minimum age criteria i.e. 21 years as specified in Clause 49 of the listing agreement.
4. Sh. Shekhar Swarup & Sh. Satinder Lachhman Singh were inducted in the Board w.e.f. 26th May 2012.
5. Sh. Vivek Gupta & Sh. Kunal Agarwal were inducted in the Board w.e.f. 11th Aug. 2012.

Sh. Shekhar Swarup, the Executive Director of the company is the son of Sh. Ajay K. Swarup, the Managing Director of the company & except that no other director is related to any other Director on the Board in terms of the definition of "relative" given under the Companies Act, 1956.

CODE OF CONDUCT

The Board of Directors has adopted the Code Conduct and Ethics for Directors and Senior Management personnel. The Code has also been posted on the Company's website www.globusspirits.com.

A declaration signed by the Managing Director of the Company is given below:

This is to certify that, to the best of my knowledge and belief, for the financial year ended on 31st March, 2012, all Board members and Senior Management Personnel have affirmed compliance with the code of Conduct for Directors and Senior Management respectively.

11th August, 2012

sd/-
Ajay Kumar Swarup
Managing Director





3. AUDIT COMMITTEE

BROAD TERMS OF REFERENCE

The terms of reference of this Committee covers the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

The terms of reference of the Audit Committee are as under:

1. To Review with the management, the quarterly, half yearly and annual financial statements before submission to the board for approval.
2. To review with the management, performance of the Statutory and Internal auditors, adequacy of internal control system.
3. To review the adequacy of internal audit function and the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
4. To discuss with Internal Auditors any significant findings and follow up thereon.
5. To discuss with statutory auditor before the audit commences about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
6. To Review with the management the annual financial statements before submission to the board for approval with reference to:
 - ❖ Matter required to be included in the Director Responsibility statement to be included in Board report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - ❖ Changes if any, in accounting policies and practices and reason for the same.
 - ❖ Major accounting entries involving estimates based on exercise of judgment by management.
 - ❖ Compliance with the listing and other legal requirement relating to financial statement.
 - ❖ Disclosure of any related party transaction.
 - ❖ Qualification in the draft audit report.

COMPOSITION

The Present members in the Audit Committee are as follows:-

Sh. Santosh Kumar Bishwal (Non-Executive & Independent Director),	Chairman
Sh. Joginder Singh Dhamija (Non-Executive & Independent Director),	Member
Sh. Satinder Lachhman Singh (Non-Executive & Independent Director),	Member
Dr. Bhaskar Roy, (Director-Finance & CFO),	Member

The minutes of the Audit Committee Meetings are noted by the Board of Directors at the subsequent Board Meeting.

During the Financial Year 2011-12, 5 (Five) Audit Committee Meetings were held on 16th May, 2011, 02nd Aug. 2011, 03rd October 2011, 31st October 2011 and 08th February 2012. The composition of Audit Committee and attendance at its meeting is as follows:

Members	Designation	No. of Meetings attended
Sh. Santosh Kumar Bishwal	Chairman	5
Sh. Joginder Singh Dhamija	Member	5
Sh. Satinder Lachhman Singh	Member	0
Dr. Bhaskar Roy	Member	5

4. REMUNERATION COMMITTEE

The Board has constituted a Remuneration Committee.

The terms of reference of the Remuneration Committee are as under:

1. To fix the Salary & Perquisites of Executives of the company.
2. To consider and grant annual and special increments to the executives of the company and to confirm the adhoc special increments granted to staff and executives of the company.
3. To consider the profits of the company and to decide about the adequacy of profits of the company.

4. To consider the adequacy of profits of the company and to consider remuneration payable to the Managerial persons as per requirement of the companies Act and Schedule XIII of the companies Act.
5. To approve the remuneration payable to the managerial personnel of the company in case of inadequacy of the profits.
6. To take all other consequential and incidental action and measure.

COMPOSITION

The constitution of the Remuneration Committee is as under:-

Name of the Members	Designation
Sh. Joginder Singh Dhamija	Chairman
Sh. Santosh Kumar Bishwal	Member
Sh. Satinder Lachhman Singh	Member
Mr. Gautam Premnath Khandelwal	Member

Details of Directors Remuneration:

The details of remuneration paid to the Directors during the financial year ended 31st March 2012 are as under:

- a) The Details of remuneration paid to Managing Director are as under:

Name	Total Amount (in Rs.)
Shri Ajay Kumar Swarup	39,63,690/- (Plus other Perquisites)

The tenure of the appointment of Managing Director was for a period of 5 years w.e.f. 1st December 2006 which has expired on December 1, 2011 & he was re-appointed by the Board with effect from such date for another term of five years.

- b) The Details of remuneration paid to Whole-time / Executive Directors are as under

Name	Total Amount (in Rs.)
Shri Manik Lal Dutta (Executive Director)	Rs.12,00,439/-
Shri Rajesh Kumar Malik (Whole Time Director)	Rs.8,58,430/-
Shri R.D. Aggarwal (Whole Time Director)	Rs.6,25,042/-
Dr. Bhaskar Roy (Director-Finance)	Rs.14,91,820/-

- c) The Non Executive Directors are paid by way of sitting fees for each meeting of the Board of Directors and Audit Committee attended by them. The details of remuneration paid to Non Executive Directors are as under.

Director	Sitting Fees (Rs.)
Shri Joginder Singh Dhamija	1,00,000/-
Shri Santosh Kumar Bishwal	1,00,000/-

None of the Non Executive Directors had any pecuniary relationship or transactions with the company during the year ended 31st March 2012 except getting sitting fees for the meeting attended by them.

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

FUNCTIONS

- ♦ To look in to redressal of shareholder and investor complaints.
- ♦ To Receive complaints from the shareholders regarding Non receipt of Balance Sheet, Non receipt of declared Dividend, Non inspection of the Statutory Records. Non receipt of the copy of records as required by the act to be given to shareholders.
- ♦ To reply the investor and shareholders for their queries.
- ♦ To inform the shareholders regarding provisions of various act and the redressal agency for their grievance.
- ♦ To take all other consequential and incidental action and measure.





COMPOSITION

The constitution of the Shareholders'/ Investors' Grievance Committee is as under:-

Name of the Members	Designation
Sh. Santosh Kumar Bishwal	Chairman
Sh. Joginder Singh Dhamija	Member
Mr. M. L. Dutta	Member
Dr. Bhaskar Roy	Member

COMPLIANCE OFFICER

The Board has designated Shri Santosh Kumar Pattanayak, Company Secretary as Compliance Officer.

DETAILS OF SHAREHOLDERS'/INVESTORS' COMPLAINTS RECEIVED AND ATTENDED

Number of Shareholders'/Investors' Complaints received during the period 01.04. 2011 to 31.03.2012	02
Number of Complaints attended/resolved	02
Number of pending complaints as on 31.03.2012	NIL

6. GENERAL BODY MEETINGS

(I) Details of the last three Annual General Meetings:

2008-09	27.08.2009	C-631, New Friends Colony, New Delhi-65	10.00 A.M.
2009-10	09.09.2010	Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road New Delhi-03	03.00 P.M.
2010-11	31.10.2011	Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road New Delhi-03	11.30 A.M.

(II) Special Resolution passed in the previous three AGMs.

- a) In the AGM held on 27.08.2009: No special resolution was passed.
- b) In the AGM held on 09.09.2010: No special resolution was passed.
- c) In the AGM held on 31.10.2011: One special resolution was passed w.r.t. appointment of & payment of remuneration to Sh. Shekhar Swarup u/s 314 (1) (b) of companies act, 1956

(III) No Postal Ballots were used / invited for voting in above meetings.

(IV) It is not proposed to pass any special resolution by postal ballot in the forthcoming AGM of the company.

7. DISCLOSURES

i) Related Party Transactions

There have been related party transactions as reflected in notes to the accounts but they are not in conflict with the interest of the Company.

ii) Accounting Standards

The Company follows the Accounting Standards laid down by the Institute of Chartered Accountant of India and there has been no deviation during the year.

iii) Details on Non Compliance

There are no instances of non-compliance by the Company on any matter relating to the Capital Market during the last 3 years.

iv) CEO/CFO Certificates

The Managing Director, Shri Ajay Kumar Swarup have furnished the required certificate to the Board of Directors pursuant to Clause 49 of the Listing Agreement.

8. MEANS OF COMMUNICATION

The Company's financial results are communicated forthwith to all the Stock Exchanges with whom the Company has listing arrangements as soon as they are approved and taken on record by the Board of Directors of the Company. Thereafter the results are normally published in Business Standard and Regional newspapers. The Financial Results, Press Releases and Presentations made to institutional investors are also available on the Company's website www.globusspirits.com.



Designated Exclusive e-mail ID: The Company has designated the following e-mail ID exclusively for investor grievance redressal:-

corpoffice@globusgroup.in, santoshp@globusgroup.in

9. GENERAL SHAREHOLDERS INFORMATION

- a) Annual General Meeting :
- Date & Time : 21st September, 2012 at 11.30A.M.
- Venue : Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, NewDelhi-110003
- b) Financial Year : 1st April 2011 to 31st March 2012
- c) Book Closure : Saturday 15th September 2012 to Friday 21st September 2012
- d) Dividend : Re. 1.20/- per share (i.e. @ 12 %) for the year ended 31st March 2011, if approved by the members, would be payable on and from 21st September 2012 onwards.

Listing on Stock Exchanges : W.E.F. 23RD SEPTEMBER 2009

The Equity Shares of the Company are listed at the following Stock Exchanges:

- i) Bombay Stock Exchange Limited, 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
- ii) National Stock Exchange of India Limited, 'Exchange Plaza', Bandra - Kurla Complex, Bandra (East), Mumbai - 400 051.

Stock Code:	BSE	533104
	NSE	GLOBUSSPR
	NSDL/CDSL - ISIN	INE615I01010

Stock Market Price Data for the year 2011-12

Month	BSE Price (Rs.)		NSE Price (Rs.)	
	High	Low	High	Low
April, 2011	159.75	143.60	160.00	143.10
May, 2011	155.50	135.40	159.00	131.20
June, 2011	158.00	127.55	150.40	129.05
July, 2011	147.95	133.10	149.00	133.00
August, 2011	149.00	116.00	146.00	112.40
September, 2011	133.25	98.15	127.00	99.05
October, 2011	121.45	102.00	121.00	100.00
November, 2011	134.00	94.10	134.00	94.05
December, 2011	111.10	87.10	112.00	95.65
January, 2012	115.00	91.05	114.35	90.25
February, 2012	129.40	111.20	129.50	110.60
March, 2012	122.35	100.00	121.85	99.05

Distribution of shareholding as on 31st March 2012

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	5661	86.8385	581430	2.5282
501 to 1000	364	5.5837	296152	1.2877
1001 to 2000	212	3.2520	304737	1.3251
2001 to 3000	86	1.3192	208839	0.9081
3001 to 4000	38	0.5829	135914	0.5910
4001 to 5000	38	0.5829	176748	0.7685
5001 to 10000	54	0.8283	401674	1.7466
10001 & above	66	1.0124	20892247	90.8448
GRAND TOTAL	6519	100.00	22997741	100.00





Shareholding Pattern as on 31st March, 2012:

CATEGORY	NO.OF SHARE HELD	% OF HOLDING
Promoter & Promoter Group	15440330	67.14
Financial Institutions, Mutual Funds, Banks, venture capital funds	3249069	14.13
Foreign Institutional Investors	232863	1.01
Bodies Corporate	1154618	5.02
Indian Public	2726843	11.86
NRIs / OCBs	142458	0.62
Others	51560	0.22
Grand Total	22997741	100

Dematerialization of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialized form. As on 31st March, 2011, 99.998% of total equity shares were held in dematerialized form.

Outstanding GDR / Warrants and Convertible Bonds, conversion date and likely impact on equity:

There is no outstanding GDR/Warrants and Convertible Bonds etc.

- Plant Locations** : 1) Vill:Shyampur, Tehsil:Behror, Dist:Alwar, Rajasthan
: 2) 4K.M., Chulkana Road, Vill:Samalkha, Dist:Panipat, Haryana
: 3) National Highway, Hissar Bypass, Hissar, Haryana

Registrar and Share Transfer Agents:

Link Intime India Pvt. Ltd.
A-40, 2nd Floor, Naraina Industrial Area, Phase-II
Near Batra Banquet Hall, New Delhi-110028

Share Transfer System:

Share transfer requests received in physical form are registered within 21 days from the date of receipt and demat requests are normally confirmed within the prescribed time from the date of receipt.

Investor correspondence address

Shareholders correspondence should be addressed to the Registrars and Transfer Agents at the address given here above.

Shareholders holding shares in dematerialized form should address all their correspondence to their respective Depository Participants.

B. NON-MANDATORY REQUIREMENTS

(1) CHAIRMAN OF THE BOARD

The Company has a Non-executive Chairman.

(2) REMUNERATION COMMITTEE

The Board has constituted a Remuneration Committee. The chairman & all other members of the committee are Non Executive & Independent Directors of the company.

The terms of reference of the Remuneration Committee are as under:

- To fix the Salary & Perquisites of Executives of the company.
- To consider and grant annual and special increments to the executives of the company and to confirm the adhoc special increments granted to staff and executives of the company.
- To consider the profits of the company and to decide about the adequacy of profits of the company.
- To consider the adequacy of profits of the company and to consider remuneration payable to the Managerial persons as per requirement of the companies Act and Schedule XIII of the companies Act.
- To approve the remuneration payable to the managerial personnel of the company in case of inadequacy of the profits.
- To take all other consequential and incidental action and measure.



(3) SHAREHOLDERS' RIGHTS

As the Company's quarterly results are published in leading English newspapers having circulation all over India and in a Hindi newspaper widely circulated in the region, the same are not sent to each household of shareholders.

(4) AUDIT QUALIFICATIONS

There are no Audit Qualifications in the Auditors' Reports.

(5) TRAINING OF BOARD MEMEBRS

At present, the Company does not have such a training programme for the Board Members.

(6) MECHANISM FOR EVALUATING NON-EXECUTIVE BOARD MEMBERS

At present, the Company does not have such a mechanism as contemplated for evaluating the performance of Non-Executive Board Members.

(7) WHISTLE BLOWER POLICY:

The Company does not have any Whistle Blower Policy as of now but no personnel is being denied any access to the Audit Committee.

Compliance

The Certificate dated 11th August 2012 obtained from our statutory auditors M/s B.M.Chatrath & Co, Chartered Accountants forms part of this Annual Report

CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the members of M/s Globus Spirits Limited

We have examined the compliance of conditions of corporate governance by M/s Globus Spirits Limited, for the year ended on 31st March 2012, as stipulated in clause 49 of the Listing agreement of the said company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and impediments thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the Corporate Governance as stipulated in the above mentioned listing Agreement.

We further State that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 11/08/2012

Place: Noida

For B.M.Chatrath & Co.

Chartered Accountants

sd/-

Partner





Globus Spirits

CEO AND CFO Certification

In terms of Clause 49 of the Listing Agreement, we, Dr. Bhaskar Roy, Director-Finance & CFO and Ajay K. Swarup, Managing Director hereby certify that :

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief :
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading ;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluate the effectiveness of the internal control systems of the company and have not come across any deficiencies in the design or operation of such internal control systems for the financial year ended 31st March, 2012
- (d) We have indicated to the auditors and the Audit committee and that there had not been :
- (i) significant changes in internal control during the financial year ended 31st March, 2012
 - (ii) significant changes in accounting policies during the financial year ended 31st March, 2012 except the method of charging depreciation which has been duly disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

sd/-

(Dr. Bhaskar Roy)

Director Finance & CFO

sd/-

(Ajay K. Swarup)

Managing Director

Date: 11/08/2012

Place: New Delhi



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Company Overview

Globus Spirits Limited is a leading North Indian Alcohol player engaged in manufacturing, marketing, and sale of branded IMFL, IMIL and Bulk Alcohol comprising of Rectified Spirit and ENA while also engaging in taking franchisee bottling to cater to renowned Brand owners. Over years, your Company has been able to establish its identity as a high quality liquor manufacturer and has successfully built its own branded portfolio in the IMIL and IMFL segments. This makes GSL a company with a very strong manufacturing base complemented By an ever growing presence in the consumer segment. Your Company has been able to strike a perfect balance between manufacturing operations driven by high quality assets with the consumer-facing business which is brand driven and has high potential for growth.

It is the only Company in the Alcobev industry to straddle all segments of the spirits value chain (consumer and manufacturing) with a unique 360° business model. This insulates your Company from risk in price movement of any one of the products and also enables it to leverage growth opportunities across all segments while ensuring greater quality control over the entire value chain.

GSL currently operates three modern and fully integrated distilleries at Behror, Rajasthan and Samalkha and Hisar, Haryana, which have a combined capacity of 84.4 million bulk litres (BL) per annum. These state-of-the-art plants are capable of distilling alcohol from grain or molasses.

Industry structure

In terms of volume, IMIL is almost equivalent to the IMFL segment in the domestic alcohol industry. Estimates peg the industry size at around 250 million cases, growing at a healthy rate of ~6-8%.

Having evolved in the way it did, the IMIL industry became a commoditized play. The pricing norms in most states were established by the government, and combined with a natural growth rate; there was little incentive for producers to differentiate. Further, the licensing norms naturally insulated the existing players from new competition. Due to the stipulation that the liquor had to be produced at a distillery located within the state, this became highly localized and fragmented in nature.

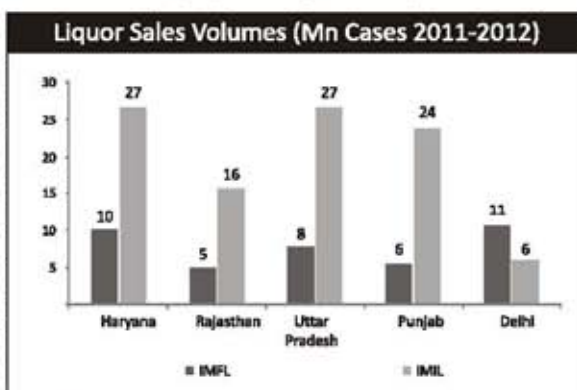
In recent times, the low-income consumer has gained prominence in the Indian consumption story. Across consumer goods companies, there has been a trend of increasing focus on this stratum of society. Similarly, in IMIL also, companies have realized that in order to gain volumes, it is not sufficient to have a 'me too' product. The product has to be innovative, it has to be attractively packaged and the brand story has to be effectively communicated to the target audience, so as to achieve the desired results. The industry, thus, has begun to embrace the concept of branding and Globus Spirits Limited has played a significant part in this.

The branded IMFL segment is the fastest growing segment of the Indian alcohol industry. Indian IMFL industry stood at \$19.2 bn in 2010 growing at a rapid 18.9% p.a. during the period 2006-10, amongst the highest in the world. Amongst the different segments in branded IMFL, whisky is the largest category, comprising ~60% of the volumes, while vodka and brandy are the fastest growing at 20%+ levels. Driven by attractive demographics and changing perceptions, growth is expected to sustain at 12.1% levels during the period 2010-2015, outperforming most other nations. Factors such as an increasing population, favorable societal perception, higher purchasing power and low penetration levels are expected to augment volume growth.

Business Verticals:

IMIL

Your Company is a leading player in IMIL in North Indian states, specifically, Rajasthan, Haryana and Delhi. It



Source: Company Estimates, Excise Departments
*Please note data for UP and Punjab pertains to FY10





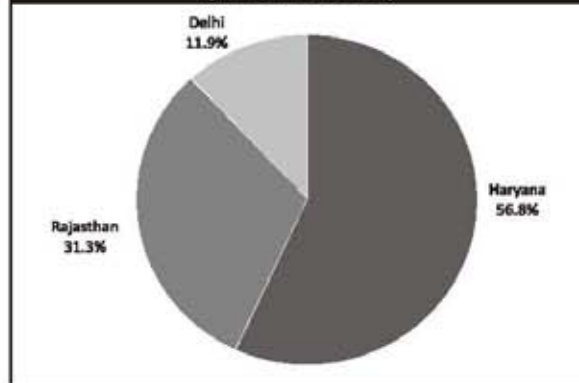
forayed into IMIL with its entry into the Rajasthan market in 1999, and soon expanded its presence to Haryana in the following year. The launch in Delhi was much later in 2007, by which time your Company had already acquired a leadership position in its existing markets.

Your Company is pleased to announce that it has crossed the 12 million cases mark in FY12 for the first time in its history. In the financial year 2011-12, the Company recorded sales of ~12.4 million IMIL cases and had a market share of over 25% across each of these three markets. To a large extent, this growth is attributable to the launch of a new brand "Nimboo" in Haryana, which in a short span of seven months, caused the GSL market share in Haryana to increase from 20% to 27%. At the retail level, this brand has done a business of Rs. 3,500 million. The brand was launched after extensive efforts in market research, product development and designing premium packaging with a clear message. GSL has been



growing faster than the industry growth rates in each of the three markets. This growth has been achieved as a result of concerted efforts towards creating strong brands, introducing better packaging (e.g. PET bottles) and offering more flavors. The culmination of these efforts can be seen in the runaway success of the Nimboo brand.

Contribution to IMIL Sales Volumes by State (FY2011-12 YTD)



The IMIL industry in the North Indian states is showing strong volume growth and companies geared to meet changing needs of these bottom-of-the-pyramid consumers can stand to benefit significantly. Not only is the industry growing rapidly, but also there is an opportunity to grab market share from companies who continue to rely on a commoditized approach.

Franchise IMFL

The Franchise IMFL Industry is a proxy play on the rapid growth of the branded IMFL industry. Your Company offers tremendous value to incumbent branded IMFL players due to huge capacities as well as consistency in blend. The Franchise IMFL business is also of sticky nature as manufacturers are generally reluctant to frequently change the bottler to maintain the consistency of the product.

Your Company has existing bottling contracts with ABD India, Jagatjit Industries and United Spirits for ~3.75 million cases. The contract with Jagatjit Industries was revived post the change in excise policy in Haryana and the increase in volumes will be reflected in FY13. The existing tie up with ABD India continues to be strong.

Another significant highlight of this business, during the year, was the signing of a franchise bottling agreement with United Spirits in the state of Haryana. The initial contract will contribute volumes of ~0.75 million cases per year and is expected to ramp up significantly going forward. The operations have already commenced in April 2012 with bottling for Bagpiper Whisky and will be followed by Moghul Monarch and Derby Special. The arrangement further strengthens GSL's alliances in the franchise bottling segment and will enable guaranteed utilization of capacities coupled with higher margins compared to the sale of bulk spirit. Your Company can proudly claim to manufacture two of the world's largest selling whiskies, Bagpiper and Officer's Choice.



Market Volumes of Franchisors in FY12 (mn cases)*

Name	Haryana	Rajasthan
United Spirits	4.3	.*
Allied Blenders & Distillers	0.8	1.5
Jagatjit Industries	1.7	.*
Total IMFL Industry	10.2	8.0

* Bottling relationship with USL, ABD and JIL in Haryana and only ABD in Rajasthan (data based on Globus estimates)

For FY12 the Franchisee bottling business recorded volumes of 1.26 million cases contributing 18.65% to the total revenue share.

Branded IMFL

Your Company has been a relatively new entrant to the branded IMFL segment making its debut in 2007. The business has been growing rapidly from a small base and continues to remain an important cog in the wheel. Your Company has been making sustained efforts to build brands and establish itself in this highly competitive but lucrative segment.

GSL has a two-fold strategy for growth in this segment. The core focus remains on building a robust distribution network through launch of brands in regular or mass market segments and leveraging this network for marketing higher value added products. The distribution reach now extends to 7 states, i.e., Haryana, Rajasthan, Punjab, Himachal Pradesh, Kerala, Andhra Pradesh and Delhi, which in aggregate contribute to ~40% of branded IMFL industry in India. In addition, your Company also plans to build a premium product portfolio in collaboration with international partners enjoying strong brand equity globally.



Brand	Category	Pr
French Castle	Brandy	Se
County Club	Whisky	Regular
Hannibal Legendary	Rum	Regular
White Lace	Gin	Regular

For FY12 the branded IMFL business recorded volumes of 0.7 million cases (including sales from tie ups) contributing 6.22% to the total revenue share.

Bulk alcohol:

Manufacturing Facilities & Capacity

Your Company has state-of-the-art plants at Rajasthan (Behror) & Haryana (Samalkha & Hisar) having aggregate annual distillation capacity of 84.4 mn bulk litres with multi-feedstock capability. All these plants deploy zero-discharge technology which is extremely environment friendly and are equipped to operate at a higher efficiency levels. A key differentiating factor which sets apart your Company from competition is the ability to build technologically superior plants at a

Manufacturing Facilities & Capacity		
Unit	Bulk Litres (mn)	Bottling (mn Cases)
Samalkha Haryana	35.0	9.6
Hisar, Haryana	14.4	4.2
Behror Rajasthan	35.0	4.8

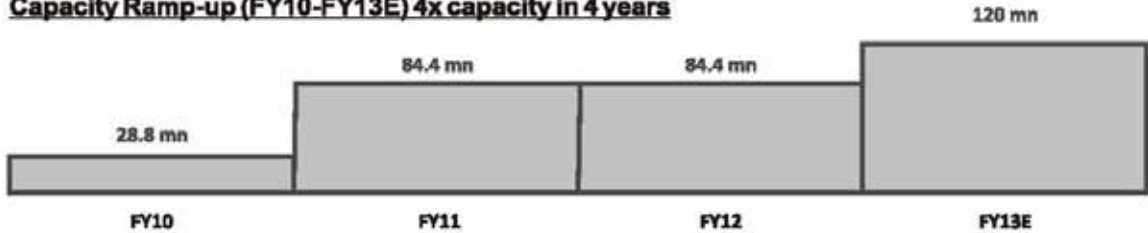
much lower cost than the industry average. Your Company is now on track to increase the total capacity to 120 million BL which is expected to be operational by H2 FY13. The segment is expected to show strong growth given the macro situation vis-à-vis demand-supply gap for potable alcohol and implementation of ethanol blending requirements. Your Company has witnessed continued buoyancy in prices in the bulk spirits market and with the expanded capacities; GSL will be a key beneficiary. Also, as per the Ethanol Blending Program, it is mandatory to blend 5% of ethanol with petrol. With increasing crude prices, OMCs also find it more profitable to use ethanol as a blend with petrol, and hence the increased demand appears sustainable. This should keep the prices firm in the near term.





Globus Spirits

Capacity Ramp-up (FY10-FY13E) 4x capacity in 4 years



For FY12 the bulk alcohol business recorded volumes of 240.44 lac BL contributing 14.08% to the total revenue share.

Financial Highlights:

- Total income from operations higher at Rs. 5,574.2 million compared to Rs. 3,835.2 million
- Operating Profits rise to Rs. 749.7 million vis-à-vis Rs. 651.8 million
- Profit after Tax (PAT) increase to Rs. 408.9 million compared to Rs. 399.3 million EPS (annualized) stood at Rs. 17.78
- The Board of Directors has recommended a dividend of Rs. 1.2 per share for FY12

Environmental Compliance

Your Company is on its way to becoming a zero discharge company. We care for the environment as we believe in the philosophy of sustainable development. Air pollution is controlled through the installation of relevant control devices like ESPs which help in collection and purification of CO2. Following are the steps we have undertaken in the new expanded capacity:

Air Pollution

- Step forward to achieving zero discharge (explained below)
- Air Pollution control through installation of the relevant Control devices with ESPs
- Air pollution control through collection, purification and sale of CO2
All Carbon dioxide generated in fermentation shall be collected purified and sold to buyers including soft drink manufacturers and others thus abating air pollution.
- Proper disposal of all effluent related products such as spent grain and fly ash
Spent Grain shall be sold as cattle feed – see below and fly ash/ash disposed off for land fill or for brick making.

Details of Zero Discharge – Liquid Discharges

Achieved through the following steps

- Separation of spent grain from spent wash**
The spent wash emerging from distillation (waste) would be passed through suitable equipment for the separation of spent grain.
- Evaporation of Spent Wash**
The lean spent wash would then be evaporated and concentrated to syrup in an evaporator specially put for the purpose which is integrated with the Distillation plant. This would be required to enable its drying later.
- Mixing the concentrated spent wash with spent grain**
The syrup spent wash and the spent grain obtained would be mixed to form Wet Grain which can be sold as cattle feed.

On the water side

- All water re-circulated to process with or without treatment thus no discharge of any water stream
 - Surplus water used in make ups or in the boiler and cooling towers after treatment
 - Condensate from process reused in the boiler as boiler feed water
 - Condensate from evaporator reused in the process after treatment
 - All cooling water is through recirculation
 - All bottle washing water reused after treatment in the process or used for horticulture
- Thus, achievement of zero discharge on all streams as per requirement of the Pollution Boards

R&D Activities in Globus

Technology

- Higher efficiencies of conversion**
The expansion is done with the state of the art latest technologies to get the best conversions to alcohol at the highest efficiencies. This would be in lines with the best practices being followed. We are also working on getting to improving conversions not only of starch but also to alcohol with new strain of enzymes and yeasts.



- b) Improving Distillation techniques and translating that to the plant in the expansion – Multi-pressure**
To improve both on quality and energy consumption the distillation plant shall be of the multi-pressure design which would give us the benefit of both. The quality would be matched with the best alcohol available in the country.
- c) Looking at alternate disposals of spent grain**
To keep in lines with the requirements of government regulations we would look at the waste as cost center and are looking at alternative markets in the cattle feed segment for its best disposal at the best price in India and overseas.
- d) Looking at better blends as final product diversification**
With better quality alcohol available we are moving to higher segments in the potable alcohol sector with better blends and brands and would be launching further brands in the future to build our market.
- e) Alternate uses of Biogas to derive greater value for additional power and so on**
Power generation directly from biogas is being examined. While it is being used presently for the generation of power through the steam route a direct more efficient system of power generation is also being examined through gas engines.

Corporate Social Responsibility

'We are proud to be a partner in the process of skills creation and empowerment of our youth, and hope our endeavors will assist in social inclusion becoming a reality in our nation.'

Realizing their social responsibility, the promoters of GSL launched GRAS Academy in 2006 to bring about social change by empowering the unemployed youth with vocational skills. The idea was to make them 'Eduployable' [Educated + Employable], capable of earning a livelihood to support their families. GRAS Academy works in both urban and rural areas with the underprivileged youth offering them vocational training, skills development and helping them find employment opportunities.

It is our belief that such skill-development exercises help the youth to increase earning potential, and in utilization of their education and personal talents. It motivates them to participate in productive activity helping them in acquiring a secured employment/self-employment.

The Government of India's recent initiative policy – The National Skill Development Mission, aimed at 'empowering all individuals to enable them to get access to decent employment and to promote inclusive national growth' calls for public-private partnership to ensure that its goals are met.

GRAS SD&EC offers nearly 50 short duration practical courses to semi-urban and rural youth. These courses are of eight to twelve weeks duration and focus on specific skills development in areas that have been identified as having income generating potential for the students.

GRAS Academy has already trained more than 15,000 candidates and 5,500 candidates are presently undergoing training at various locations. GRAS Academy, within a very short span has emerged as one of the leading Vocational Training Providers in the country.

GRAS Academy has currently 40 centers located in UP, Punjab, Delhi, Haryana, Rajasthan, AP, Utrakhand and Bihar. For more details, please visit – www.grasacademy.in

Risk Management

The nature of our business is such that it is subject to certain risks at different points of time. Some of these include escalation in the cost of raw materials and other inputs, increasing competitive intensity from other players, changes in regulation from central and state governments, changes in supplier-distributor relationship, labor shortage. Your company has a proactive approach when it comes to risk management where it periodically reviews the risks and strives to develop appropriate risk mitigation measures for the same.

Internal Control Systems

Your Company has ensured that stringent and comprehensive controls are put in place to ensure the optimal and efficient utilization of resources and to ensure safety and protection of all assets from unauthorized use. An extensive program of internal, external audits along with periodic reviews by the management is carried out to ensure compliance with the best practices.

Human Capital overview

Your Company considers human capital a core area for sustainable growth and has been making conscious efforts to engage and develop human capital at all levels. The Human Resource Department of your Company is highly focused on enhancing stakeholder value by ensuring a fit between the management of an organization's employees, and the overall strategic direction of the company. Over the years your Company has been able to build a team of qualified, dedicated & motivated professionals. The working atmosphere provided to the employees is aimed at creating a sense of ownership which helps them to shoulder greater responsibilities. As on 31st March 2012, the employee (excluding casual) count for the company stood at 300 compared to 290 on 31st March 2011.

Disclaimer

Certain statements in this MDA may be forward looking within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in domestic industry, significant changes in the political environment, changes in tax laws & excise duties, litigation and labor relations.





Globus Spirits

Auditor's Report

To the Members of M/s. GLOBUS SPIRITS LIMITED

We have audited the attached Balance Sheet of M/s. GLOBUS SPIRITS LIMITED as at 31st March 2012 and also the Profit & Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial Statements based on our Audit.

We conducted our Audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and according to information and explanation given to us during the course of audit and on the basis of such checks as we consider appropriate, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order, to the extent applicable.
2. Further to our comments in the annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii) In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of those books.
 - iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - iv) In our opinion, the Balance Sheet, Profit & Loss Account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
3. On the basis of the written representation received from the directors as on 31st March 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
4. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the companies act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2012;
 - b) In the case of Profit & Loss Account, of the Profit for the year ended on that date and;
 - c) In the case of Cash Flow Statement of the cash flow of the company for the year ended on that date.

For B. M. Chatrath & Co.,
Chartered Accountants

Sd/-

UMESH C. PANDEY

Partner

M. No. 55252

Place : New Delhi

Dated : 26th May, 2012

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ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in Paragraph 3 of our Report of even date of accounts of Globus Spirits Limited, for the year ended 31st March 2012)

- I (a) The Company has maintained reasonable proper records showing particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, these fixed assets have been physically verified by the management during the year at reasonable intervals and no material discrepancies were noticed.
- (c) According to information and explanation given to us, since the company has not disposed off a substantial part of the fixed assets during the period, paragraph 4(1) (c) of the companies (Auditor's Report) order, 2003 is not applicable.
- ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory, Discrepancies noticed on verification between physical stocks and the book records were not material.
- iii. In our opinion and according to the information and explanations give to us, the Company has not granted or taken unsecured loan to and from parties covered in the register maintained under section 301 of the Act.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods. During the course of our audit we have not observed any continuing failure to correct major weakness in internal controls.
- v. No transactions have been entered during the year in the register maintained in pursuance of section 301 of the Companies Act, 1956 and based on the audit procedures applied by us and according to the information & explanation given to us, we have not come across any transactions that need to be entered into the register maintained in pursuance of section 301 of the Companies Act, 1956. Accordingly sub clause (b) is not applicable.
- vi. In our opinion and according to the information & explanations given to us, the company has not accepted any deposit from public during the year under the provisions of section 58A, 58AA or any other relevant provisions of the companies Act 1956 and the companies (Acceptance of Deposit) Rules, 1975.
- vii. In our opinion and according to the information and explanation given to us, the company has an internal audit system commensurate with the size and nature of its business.
- viii. According to the information and explanation given to us the company has maintained cost records prescribed by the Central Government under clause(d) of sub section (1) of the section 209 of the Act.
- ix. (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including the Provident Fund, Investor Education Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Cess and any other statutory dues applicable to it **except** income tax of Rs.5,00,00,000/- has been paid till date out of the total Income Tax provision of Rs.12,00,00,000/- for the year ending 31st March 2012 and in case of any delayed payment the company has paid proper interest thereon.
- (b) According to the information and explanation given to us no undisputed amount payable in respect of Income Tax, Sales Tax and Cess were in arrears as at 31st March 2012 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us the company has deposited Rs.5,58,94,712/- under protest with Sales tax & excise department & there are no other dues of Income Tax and Cess which have been deposited on account of any dispute.
- x. The company does not have accumulated losses as at 31st March 2012. The company has not incurred cash losses during the year covered by our audit and the immediately preceding financial year.
- xi. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution or bank and or debenture holders.





- xii. In our opinion and according to the information and explanation given to us, the company has not granted any loan and advances on the basis of security by way of pledge of shares, debentures and others securities.
- xiii. In our opinion and according to the information and explanation given to us, the company is not a Chit Fund or a Nidhi Mutual Benefit Fund/ Society therefore the provisions of clause 4 (xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xiv. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xv. In our opinion & according to the information and explanation given by the management to us, the company has not given any guarantee for loan taken by others from bank or financial institutions, accordingly the provisions of clause 4 (xv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xvi. In our opinion & according to the information and explanation given by the management to us, on an overall basis, the term loan have been applied for the purpose for which they were raised.
- Xvii. According to the information and explanation given to us, out of the total funds raised on short term basis, Rs.12.81crores have been utilized for making various capex in the plants towards their ongoing expansion project.
- xviii. According to the information and explanations given to us, during the year the company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Act.
- xix. The company has not issued any debentures during the year and therefore clause (xix) of paragraph 4 of the order is not applicable to the company for the current year.
- xx. According to the information and explanations given to us, the company has not raised money by public issue.
- xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the period.

Place : New Delhi
Dated : 26th May, 2012

For B. M. Chatrath & Co.,
Chartered Accountants
Sd/-
UMESH C. PANDEY
Partner
M. No. 55252



Globus Spirits Limited

BALANCE SHEET AS AT 31ST MARCH' 2012

	Notes	As at 31st March, 2012	As at 31st March, 2011
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
Share capital	2	22,99,77,410	22,99,77,410
Reserves and surplus	3	2,24,31,24,573	1,85,54,77,322
Money Received against share warrants		—	—
		<u>2,47,31,01,983</u>	<u>2,08,54,54,732</u>
(2) Share application money pending allotment			
(3) Non-current liabilities			
Long-term borrowings	4	60,26,10,962	18,39,88,450
Deferred tax liabilities (Net)	1. (k)	30,87,90,505	26,02,00,353
Other Long term Liabilities		—	—
Long-term provisions	5	85,92,768	63,23,279
		<u>91,99,94,235</u>	<u>45,05,12,082</u>
(4) Current liabilities			
Short-term borrowings	4	53,29,20,023	40,26,22,149
Trade payables	6	74,40,03,516	43,40,76,014
Other current liabilities	7	20,58,45,847	12,76,64,013
Short-term provisions	5	12,00,00,000	11,04,01,155
		<u>1,60,27,69,386</u>	<u>1,07,47,63,331</u>
TOTAL		<u>4,99,58,65,604</u>	<u>3,61,07,30,145</u>
II ASSETS			
(1) Non-current assets			
Fixed assets			
- Tangible assets	8	2,61,59,44,983	2,06,68,48,575
- Intangible assets	8	17,94,68,199	12,82,08,211
- Capital work-in-progress	8	52,40,76,496	12,86,58,028
- Intangible assets under development		7,75,86,150	—
Non-current Investments	9	11,77,153	11,77,153
Long-term loans and advances	10	14,00,000	14,00,000
Other non-current assets	11	—	17,67,416
		<u>3,39,96,52,980</u>	<u>2,32,80,59,383</u>
(2) Current assets			
Current Investments	9	—	—
Inventories	13	46,83,46,680	33,25,12,175
Trade Receivables	14	55,32,54,580	42,05,04,147
Cash and cash equivalents	12	7,25,06,113	5,45,86,545
Short-term loans and advances	10	49,45,80,297	47,01,31,332
Other current assets	11	75,24,954	49,36,563
		<u>1,59,62,12,624</u>	<u>1,28,26,70,762</u>
Total		<u>4,99,58,65,604</u>	<u>3,61,07,30,145</u>

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements

Refer to our Report of even date

For B.M. Chatrath & Co.
Chartered Accountants

Sd/-
(Umesh C. Pandey)
Partner
M.No. 55252
Place : New Delhi
Date : 26/05/2012

d/-
(Ajay K. Swarup)
Managing Director
Sd/-
(Santosh Kumar Pattanayak)
Company Secretary

Sd/-
(Manik Lal Dutta)
Executive Director
Sd/-
(Dr. Bhaskar Roy)
Director Finance & CFO



Globus Spirits Limited

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2012

	Notes	For the Year ended March 31, 2012	For the Year ended March 31, 2011
I Revenue from operations	15	5,57,42,81,534	3,83,52,49,222
II Other Income	16	68,47,907	68,00,111
III TOTAL REVENUE (I+II)		5,58,11,29,441	3,84,20,49,333.00
IV Expenses			
Cost of Materials consumed	17	3,14,32,32,152	2,22,21,02,317
Purchase of Stock-in-Trade		—	—
Changes in Inventories of finished goods	18	(11,37,81,691)	(16,10,672)
Employee benefit expenses	19	8,83,22,345	6,74,33,367
Finance Cost	20	4,82,30,530	2,83,89,419
Depreciation and amortization expense	8	12,29,65,703	6,94,32,480
Other expenses	21	1,71,36,75,636	90,23,31,601
Total Expenses		5,00,26,44,675	3,28,80,78,512
V Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		57,84,84,766	55,39,70,821
VI Exceptional items		—	—
VII Profit/(Loss) before extraordinary items and tax (V-VI)		57,84,84,766	55,39,70,821
VIII Extraordinary Items		9,71,033	—
IX Profit/(Loss) before tax (VII-VIII)		57,75,13,733	55,39,70,821
X Tax expense		—	—
Current tax		12,00,00,000	11,04,01,155
Deferred tax		4,85,90,152	4,42,53,997
XI Profit/(Loss) after tax from continuing operations		40,89,23,581	39,93,15,669
XII Profit/(Loss) from discontinuing operations		—	—
XIII Tax expenses from discontinuing operations		—	—
XIV Profit/(Loss) from discontinuing operations (XII-XIII)		—	—
XV Profit/(Loss) after tax (XI+XIV)		40,89,23,581	39,93,15,669
XVI Earnings per equity share			
Basic		17.78	—
Diluted		17.78	—

Summary of significant accounting policies 1
The accompanying notes are an integral part of the financial statements

ort of even date

For & on Behalf of the Board

For B.M. Chatrath & Co.
Chartered Accountants

Sd/-
(Umesh C. Pandey)
Partner
M.No. 55252
Place : New Delhi
Date : 26/05/2012

Sd/-
(Ajay K. Swarup)
Managing Director
Sd/-
(Dr. Bhaskar Roy)
Director Finance & CFO

Sd/-
(Manik Lal Dutta)
Executive Director
Sd/-
(Santosh Kumar Pattanayak)
Company Secretary

Globus Spirits Limited

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with generally accepted accounting principles ('GAAP') in India, applicable Accounting Standards ('AS') as prescribed by Companies (Accounting Standard) Rules, 2006, provisions of the Companies Act, 1956 ('the Act') and guidelines issued by the SEBI, as applicable to the Company.

(b) FIXED ASSETS (Including Intangible Asset)

Fixed Assets and Intangible Assets are stated at cost less accumulated depreciation less impairment, if any. Cost of tangible fixed assets and intangible assets comprises the purchase price and any attributable cost of bringing the asset to working condition for its intended use. Insurance spares are capitalized with the related mother asset from the date such asset is put to use.

(c) DEPRECIATION

The company has provided depreciation as per Straight line method in accordance with schedule xiv of the companies act, 1956.

(d) INVESTMENTS

Investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution has not been made in the value of the investments.

(e) REVENUE RECOGNITION

Sales are recognized on delivery or on passage of titles of the goods to the customers. They are accounted net of sales return but inclusive of excise duty. Income from investments is accounted for in which right to receive of such income is established.

(f) EMPLOYEE RETIREMENT BENEFITS

The company has various schemes of retirement benefit, namely Gratuity, Leave encashment and Provident fund and Provisions for contribution to retirement benefits scheme are made as follows

a) Provident fund on actual liability basis.

b) Provision for Gratuity and Leave encashment has been provided for as per actuary's valuation method.

(g) EARNING PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the number of equity shares outstanding during the year. The Company has not issued any potential equity shares, and accordingly, the basic earnings per share and diluted earnings per share are the same.

(h) IMPAIRMENT OF ASSETS

The indicators listed in paragraph 8 of Accounting Standard (AS)-28 " Impairment of assets " issued by Institute of Chartered Accountants of India have been examined & on such examination , it has been found that none of the indicators are present in the case of company. There is no indication of a potential impairment loss, so estimation of recoverable amount has not been made.

(i) SEGMENT REPORTING

In the opinion of the management, company is involved in only one type of product Industrial & Potable Alcohol as envisaged by AS 17 'Segment Reporting', prescribed by the Companies (Accounting Standards) Rules, 2006. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company.

Secondary segmentation based on geography has not been presented as the Company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.

1.A Other Notes to Accounts

(j) Deferred Revenue Expenditure

"Deferred revenue- Brand Promotion Expenses" appearing in Asset side in the Balance Sheet are the expenditure incurred on promoting company's new IMFL brands already launched during the year 2007 and which have perpetual benefit to the company and thus it was shown under the head Deferred revenue-Brand Promotion Expenses, which is being written off in five years & the current year being the fifth year, thus it is fully written off.

(k) Taxes on Income

(i) Current tax is the provision made for the MAT payable during the year in accordance with the provisions u/s 115JB of the Income Tax Act, 1961

(ii) Current Tax is determined as per the provisions of the Income Tax Act, 1961 in respect of Taxable Income for the year. Deferred tax is recognized, on timing differences, being the difference resulting from the recognition of items in the financial statements & in estimating its current income tax provision. Deferred Tax Assets and Deferred Tax Liabilities are computed by applying tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet Date.



Globus Spirits Limited

Calculation of Deferred Tax Liabilities

Closing WDV as per Co. Act	2,79,54,13,179
Closing WDV as per I.T. Act	<u>1,84,38,24,565</u>
Difference	<u>95,15,88,614</u>
Tax on above (@32.45%)	30,87,90,505
Less: Opening Deferred Tax Liability	<u>26,02,00,353</u>
Current Year Deferred Tax Liability	<u>4,85,90,152</u>

(c) Contingent Liabilities and Contingent Assets(AS-29)

Contingent Liabilities not provided in the book of account of Rs.38,75,173/- Security executed in favour of Excise authorities for bottling case pending before the high court for Punjab & Haryana which is related to Demerged undertaking of M/s Associated Distilleries Limited.

(d) SSI Liabilities

As explained, there is no amount due to small-scale industries over Rs.1 lac shown under the head "sundry Creditors"

(e) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(f) Foreign Currency Transactions

(i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

(ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

(g) Capital commitment related to capacity expansion is Rs. 515.94 lac as on 31st March 2012.

(h) Related party disclosures as required in terms of "Accounting Standard - 18" are given below :

(i) Key Management Personnel Sh. Ajay K. Swarup

(ii) Associate Companies M/s Biotech India Limited

M/s Rajasthan Distilleries Pvt. Ltd.

M/s Rambagh Estates Pvt. Ltd.

M/s Chandbagh Investments Ltd. (No transaction done during the year)

Description	Key Management Personnel		Associate Companies	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Salary and other allowances	55.29	50.16	---	---
Lease Rental Transaction with Associate Companies	---	---	106.2	31.82

(i) Previous year figures have been regrouped where necessary to conform to revised schedule VI requirement

(j) Balances of Debtors, Creditors and Advances to and from parties are subject to Reconciliation and confirmation.

(k) In the opinion of the Board, the value of Current Assets, Loans & Advances in the ordinary course of business will not be less than the value at which they have been stated in the Balance Sheet.

(l) The profit & loss account and Balance sheet comply with Accounting Standard referred to in section 211 (3C) of the Companies Act. 1956

(m) Insurance claim which are of not significant value are accounted for on receipt basis.

Globus Spirits Limited

Notes to the Financial Statements for the year ended March 31, 2012

Note 2. Share capital	March 31, 2012		March 31, 2011	
	No of shares	In Rs.	No of shares	In Rs.
Authorised shares				
Equity Shares of 10 each	<u>3,50,00,000</u>	<u>35,00,00,000</u>	<u>2,50,00,000</u>	<u>25,00,00,000</u>
	3,50,00,000	35,00,00,000	2,50,00,000	25,00,00,000
Issued, Subscribed and Paid-up Shares				
Equity Shares of 10 each	<u>2,29,97,741</u>	<u>22,99,77,410</u>	<u>2,29,97,741</u>	<u>22,99,77,410</u>
	2,29,97,741	22,99,77,410	2,29,97,741	22,99,77,410

A. Reconciliation of the shares outstanding at the beginning and at the end of the year/ reporting period

Equity Share	March 31, 2012		March 31, 2011	
	No of shares	In Rs.	No of shares	In Rs.
At the beginning of the year	2,29,97,741	22,99,77,410	1,97,57,741	19,75,77,410
Issued during the year (shown as share capital suspense being 32,40,000 equity shares of Rs.10/- each fully paid up allotted on 03rd October 2011 pursuant to the high court order sanctioning the scheme of arrangement of demerger w.e.f. 01/04/2010 being the appointed date)	—	—	32,40,000	3,24,00,000
Outstanding at the end of the year	<u>2,29,97,741</u>	<u>22,99,77,410</u>	<u>2,29,97,741</u>	<u>22,99,77,410</u>

b. Terms/ rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the board of directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

c. Shares held by holding / ultimate holding company and persons holding more than 5% shares

	March 31, 2012		March 31, 2011	
	No of shares	% holding	No of shares	% holding
Chandbagh Investments Limited - Promoter	1,13,67,510	49.43	1,13,67,510	49.43
Ajay K. Swarup - Promoter	16,29,820	7.09	16,29,820	7.09
Anoop Bishnoi - Promoter Group	16,19,820	7.04	16,19,820	7.04
IDFC Premier Equity Fund - Public (Equity shares of Rs. 10/- each fully paid up)	18,20,000	7.91	18,20,000	7.91

d. Details of Bonus Shares issued during 2007-08

During the year 2007-08, the company has issued 3919247 equity shares of Rs.10/- each fully paid-up in the ratio of 1:2 & the said bonus shares has been issued by the company out of its accumulated Profit and Loss appropriation account.

Note 3. Reserve & Surplus

	March 31, 2012	March 31, 2011
	In Rs.	In Rs.
General Reserves		
Opening Balance	12,05,69,552	11,05,69,552
Security Premium Reserve Account	75,55,00,000	75,55,00,000
Transferred from Profit & Loss appropriation account	1,05,00,000	1,00,00,000
Subsidy received from MNRE *	1,08,00,000	—
Total General Reserves	89,73,69,552	87,60,69,552
Surplus in the statement of profit and loss		
Opening Balance as per last financial statements	97,94,07,770	61,69,09,767
Profit/ (Loss) for the year	40,89,23,581	39,93,15,669
Less : Appropriations		
Transfer to general reserve	1,05,00,000	1,00,00,000
Proposed Dividend @ 12% on equity share capital	2,75,97,290	2,29,97,741
Tax on Dividend	44,79,040	38,19,925
Total appropriations	4,25,76,330	3,68,17,666
Net surplus/ (Loss) in the statement of profit and loss	1,34,57,55,021	97,94,07,770
Total reserves and surplus	2,24,31,24,573	1,85,54,77,322

* Out of the total subsidy received from Ministry of New & Renewable Energy of Rs.1,20,00,000/- during the year 2011-12, Rs.1,20,000/- has been considered as income for the current year assuming the life of the boiler for 10 year & hence 10% of the total subsidy has been taken as current year income & rest of the balance amount has been shown in General Reserve.



Globus Spirits Limited

Notes to the Financial Statements for the year ended March 31, 2012

Note 4. Long-term & Short-term borrowings	Non-current portion (Long-term)		Current maturities (Short-term)	
	March 31, 2012 in Rs.	March 31, 2011 in Rs.	March 31, 2012 in Rs.	March 31, 2011 in Rs.
Long-term borrowings				
a) Term loans (Secured from SBI, HDFC & HSBC bank)	46,16,91,887	15,06,05,914		
b) Vehicle Loan from ICICI, HDFC & ABN AMRO	1,21,03,146	47,44,298		
c) Unsecured Loan	10,22,80,080	28,19,883		
d) Other Long-term Liabilities	2,65,35,849	2,58,18,355		
Short-term borrowings				
a) cash credit & WCDL Limits (Secured from SBI, HDFC & HSBC bank)			40,26,17,539	28,26,11,853
b) Subservient Secured Charge from Yes Bank			8,54,95,258	4,33,37,730
c) Advances from customers			4,48,07,226	7,66,72,566
	<u>60,26,10,962</u>	<u>18,39,88,450</u>	<u>53,29,20,023</u>	<u>40,26,22,149</u>

Note 5. Provisions	Long-term		Short-term	
	March 31, 2012 in Rs.	March 31, 2011 in Rs.	March 31, 2012 in Rs.	March 31, 2011 in Rs.
Provision for employee benefits				
Leave encashment & Gratuity	85,92,768	63,23,279	—	—
Other Provisions				
Provision for income tax			12,00,00,000	11,04,01,155
	<u>85,92,768</u>	<u>63,23,279</u>	<u>12,00,00,000</u>	<u>11,04,01,155</u>

Note 6. Trade Payables	March 31, 2012 in Rs.	March 31, 2011 in Rs.
Total outstanding dues of creditors other than micro, small and medium enterprises	74,40,03,516	43,40,76,014
	<u>74,40,03,516</u>	<u>43,40,76,014</u>

Note 7. Other current and Non-current liabilities	Non Current Liabilities		Current Liabilities	
	March 31, 2012 in Rs.	March 31, 2011 in Rs.	March 31, 2012 in Rs.	March 31, 2011 in Rs.
Creditors for capital goods *			3,52,91,327	1,51,55,764
Other Short-term Liabilities			17,05,54,520	11,25,08,249
	<u>—</u>	<u>—</u>	<u>20,58,45,847</u>	<u>12,76,64,013</u>

* creditors for capital goods has been taken as current liabilities as these creditors will be disposed off within a time period of one year.

Globus Spirits Limited

Notes to the Financial Statements for the year ended March 31, 2012

Note.8. Tangible & In-tangible Fixed Assets Fixed Assets as at 31st March, 2012 Depreciation as per Straight Line Value method in accordance with Schedule XIV of Companies Act, 1956

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BALANCES AS ON			
	As on 01/04/2011	Additions	Sale/Disposal	As on 31/03/2012	Ch Opening	Ch Additions	Total during the year	Sale/Disposal	Up to 31/03/2012	31/03/2011
Tangible Assets										
Land	1,36,97,583	—	—	1,36,97,583	—	—	—	—	—	1,36,97,583
Factory Building	28,20,47,585	14,87,12,778	—	40,97,60,361	87,52,389	7,79,089	95,31,478	—	4,26,17,611	39,61,42,760
Plant & Machinery	2,08,05,47,089	49,26,08,102	—	2,57,31,53,201	9,88,25,987	23,84,673	10,12,10,660	—	40,00,09,830	2,17,31,43,371
Electric Filing	1,00,06,287	21,08,001	—	1,21,14,298	4,88,702	1,01,816	5,70,518	—	55,05,858	68,08,442
Vehicles	4,30,96,065	1,52,89,206	78,35,281	5,05,49,990	39,38,127	3,61,500	42,99,627	32,03,866	1,76,14,431	3,29,35,559
Furniture	83,07,594	1,44,93,808	29,17,982	1,98,83,391	5,25,869	4,84,001	10,09,870	7,39,338	33,86,037	1,84,97,354
Office Equipments	57,18,307	17,53,267	4,01,620	70,69,954	2,71,620	50,012	3,21,632	1,00,216	24,51,220	46,18,734
Wireless System	1,59,052	—	—	1,59,052	—	—	—	—	1,52,217	6,835
Tools & Equipments	10,993	—	—	10,993	—	—	—	—	10,610	383
Computer	49,89,613	10,74,778	10,000	60,34,292	6,97,343	74,457	7,71,801	—	41,16,740	19,17,552
Tractors	14,78,564	—	—	14,78,564	1,03,826	—	1,03,826	—	11,02,636	3,75,928
Cycle	5,845	—	—	5,845	861	—	861	—	3,355	2,490
TOTAL	2,43,80,42,467	67,40,37,940	1,11,64,883	3,09,29,15,524	11,35,84,524	42,35,547	11,78,28,071	40,43,420	47,69,70,541	2,61,59,44,983
In-tangible Assets										
Intangible-Knowhow & New Brand Development	13,45,31,597	5,84,05,621	—	19,09,37,218	44,93,355	6,52,276	51,45,631	—	1,14,89,019	17,94,68,199
TOTAL	2,58,45,74,064	73,04,43,561	1,11,64,883	3,28,38,52,742	11,80,77,880	48,87,823	12,29,65,703	40,43,420	48,84,39,561	2,79,54,13,181
Previous Year	66,56,53,661	25,84,92,795	45,19,734	1,11,96,26,822	18,56,68,971	—	4,37,86,062	—	22,59,56,958	89,56,69,965
Capital Work in Progress	12,86,58,028	39,54,18,488	—	52,40,76,488	—	—	—	—	—	67,99,84,890



Globus Spirits Limited

Notes to the Financial Statements for the year ended March 31, 2012

Note 9. Current & Non-current investments	Non-current investments		Current investments	
	March 31, 2012 in Rs.	March 31, 2011 in Rs.	March 31, 2012 in Rs.	March 31, 2011 in Rs.
Quoted investments				
Burroughs Welcome (India) Ltd (100 shares of Rs.10/- each fully paid-up)	18,265	18,265		
Bank of India (2900 shares of Rs.10/- each fully paid up) (Market Price as on 31st March 2012 is Rs.361.00/- Per share)	31,900	31,900		
Catvision Products Ltd (2500 shares of Rs.10/- each fully paid-up) (Market Price as on 31st March 2012 is Rs.11.77/- Per share)	22,500	22,500		
Un-quoted Investments				
Biotech India Ltd. (24430 Shares of Rs.10/- each fully paid-up)	2,44,300	2,44,300		
Haryana Financial Corporation (24100 equity shares)	8,43,500	8,43,500		
In the units of Mutual Funds				
Kothari Pioneer FMCG Fund-Dividend Payout (1229.746 units of Rs.10/- each)	16,688	16,688		
Current Investments			---	---
Total Investments	<u>11,77,153</u>	<u>11,77,153</u>	---	---
Less: Provision for diminution in the value of investments				
Total	<u>11,77,153</u>	<u>11,77,153</u>		

Note 10. Long-term & Short-term Loans & Advances	Long-term loans & advances		Short-term loans & advances	
	March 31, 2012 in Rs.	March 31, 2011 in Rs.	March 31, 2012 in Rs.	March 31, 2011 in Rs.
Short-term Loans and Advances				
Loans to staff	-	-	4,71,706	8,01,712
Advances unsecured considered good			6,90,00,891	6,01,14,118
TDS recoverable			42,43,907	38,58,446
Advances for capital goods *			11,63,43,939	8,44,94,930
Advances to suppliers & others			8,88,46,682	19,84,70,622
Duty & Taxes			4,00,14,516	81,89,201
Pre-paid expenses			2,23,03,666	2,21,90,254
Advance Income Tax paid			5,00,00,000	2,10,00,000
Earnest money deposited with Excise Department			13,30,982	38,38,991
Security Deposit			4,61,29,296	4,91,55,981
Sales tax deposited under protest			5,58,94,712	1,80,17,077
Long-term Loans and Advances				
Advance for Punjab license & Jharkhand license	14,00,000	14,00,000	-	-
Total Loans & Advances	<u>14,00,000</u>	<u>14,00,000</u>	<u>49,45,80,297</u>	<u>47,01,31,332</u>

* Advance for capital goods has been taken as short term advances as this amount will be adjusted within a time period of one year.

Note 11. Other Current & Non-current Assets	Other non-current Assets		Other current Assets	
	March 31, 2012 in Rs.	March 31, 2011 in Rs.	March 31, 2012 in Rs.	March 31, 2011 in Rs.
Other Non-current Assets				
Deferred Revenue Brand Promotion	17,67,416	35,34,832	-	-
Less : written off during the year	17,67,416	17,67,416	-	-
Closing Balance	-	17,67,416	-	-
Other Current Assets				
Interest accrued but not due			75,24,954	49,36,563
Total other Current & Non-current Assets	<u>-</u>	<u>17,67,416</u>	<u>75,24,954</u>	<u>49,36,563</u>

Globus Spirits Limited

Notes to the Financial Statements for the year ended March 31, 2012

Note 12. CASH AND CASH EQUIVALENTS	March 31, 2012 in Rs.	March 31, 2011 in Rs.
BALANCES WITH BANKS		
In current accounts	5,37,88,182	2,51,66,149
Fixed Deposits with more than 12 months maturity	1,37,27,188	1,17,94,188
Cash in hand	42,28,825	38,76,118
Imprest with staff	1,37,039	5,82,009
Cheques in hand/transit	66,827	26,10,029
Liquid funds held with Reliance money manager	<u>5,58,052</u>	<u>1,05,58,052</u>
	<u>7,25,06,113</u>	<u>5,45,86,545</u>
Note 13. INVENTORIES	March 31, 2012 in Rs.	March 31, 2011 in Rs.
Raw Materials (valued at average cost)	9,95,59,500	9,82,71,177
Packing Materials (valued at average cost)	9,32,48,720	8,51,17,219
Finished Goods (valued at cost or market price which ever is less)	23,92,44,317	12,54,62,626
Fuel, Stores & Spares (valued at average cost)	3,62,94,143	2,36,61,153
	<u>46,83,46,680</u>	<u>33,25,12,175</u>
Note 14. TRADE RECEIVABLES	March 31, 2012 in Rs.	March 31, 2011 in Rs.
Un-secured Debtors considered good for a period less than six months	53,73,97,378	38,27,33,756
Debtors outstanding for a period exceeding six months	1,39,08,194	3,52,66,383
Doubtful Debtors	19,49,008	25,04,008
	<u>55,32,54,580</u>	<u>42,05,04,147</u>
Note 15. Revenues from operations	For the Year ended March 31, 2012	For the Year ended March 31, 2011
Sale of Product		
Domestic Sales	7,08,55,07,268	5,21,57,76,883
Export Sales	5,20,08,428	-
Other Services	-	-
Other Operating Income	2,20,66,618	5,20,65,718
	<u>7,15,95,82,314</u>	<u>5,26,78,42,601</u>
Less:		
Discount, Allowances, and returns	3,04,78,619	3,03,04,290
Excise Duty	1,55,48,22,161	1,40,22,89,089
TOTAL NET SALES	<u>5,57,42,81,534</u>	<u>3,83,52,49,222</u>
Note. 16. Other Income	For the Year ended March 31, 2012	For the Year ended March 31, 2011
Accrued income on liquid investments	13,684	26,44,687
Interest Received	48,39,857	40,01,637
Profit on sale Fixed Assets	-	51,687
Dividend- Income	59,971	-
Miscellaneous Income	13,96,821	1,02,100
Exchange Fluctuation Gain	5,37,574	-
TOTAL	<u>68,47,907</u>	<u>68,00,111</u>
Note. 17. Cost of materials consumed		
1. Raw Material		
Opening Stock	9,82,71,177	10,05,40,070
Add : Purchases of Raw Material	1,97,75,22,142	1,43,60,67,606
	<u>2,07,57,93,319</u>	<u>1,53,66,07,676</u>
Less: Closing Stock	9,95,59,500	9,82,71,177
Raw Material Consumed	<u>1,97,62,33,819</u>	<u>1,43,83,36,499</u>
2. Packing Material		
Opening Stock of Packing Material	8,51,17,219	6,75,21,864
Add : Purchases of Packing Material	1,17,51,29,834	80,13,61,173
	<u>1,26,02,47,053</u>	<u>86,88,83,037</u>
Less : Closing Stock	9,32,48,720	8,51,17,219
Packing Material Consumed	<u>1,16,69,98,333</u>	<u>78,37,65,818</u>
Total of 1&2	<u>3,14,32,32,152</u>	<u>2,22,21,02,317</u>



Globus Spirits Limited

Notes to the Financial Statements for the year ended March 31, 2012

Note 18 . Changes In Inventories	For the Year ended March 31, 2012	For the Year ended March 31, 2011
Opening Stock	12,54,62,626	123851954
Less: Closing Stock	23,92,44,317	12,54,62,626
	<u>(11,37,81,691)</u>	<u>(16,10,672)</u>
Note 19. Employee benefits expense	For the Year ended March 31, 2012	For the Year ended March 31, 2011
Salary & Wages	8,36,13,099	6,10,63,823
Staff welfare expenses	21,40,013	19,58,810
Provision for Leave Encashment	11,64,057	1,73,460
Provision for Gratuity	14,05,176	42,37,274
TOTAL	<u>8,83,22,345</u>	<u>6,74,33,367</u>
Note 20. Finance Costs	For the Year ended March 31, 2012	For the Year ended March 31, 2011
Interest	4,64,48,363	2,70,11,774
Bank Charges	17,82,167	13,77,645
TOTAL	<u>4,82,30,530</u>	<u>2,83,89,419</u>
Note 21. Other Expenses	For the Year ended March 31, 2012	For the Year ended March 31, 2011
Manufacturing expenses		
Opening Stock Power & Fuel	2,36,61,153	2,56,19,815
Add : Purchases of Fuel	1,01,92,26,271	34,51,45,284
	<u>1,04,28,87,424</u>	<u>37,07,65,099</u>
Less: Closing Stock	3,62,94,143	2,36,61,153
Power and Fuel Consumed	<u>1,00,65,93,281</u>	<u>34,71,03,946</u>
Chemicals & Stores	7,44,11,646	3,66,26,236
Repairs: Plant & Machinery & Building	2,61,75,726	1,04,23,209
Generator Hiring Charges	-	9,65,401
Licence Fees	4,18,48,382	3,14,69,728
Security Expenses	21,12,422	18,20,485
Direct Labour charges & Wages	2,34,39,013	1,60,02,610
Bottling Expenses/Fees	21,52,38,973	17,19,63,845
Land Lease	14,03,200	14,98,449
Inspection, Testing & Sampling	11,72,891	7,65,804
Effluent Disposal	85,08,332	85,18,510
Flour feeding charges/ Pet Coke Feeding	1,72,62,000	1,19,71,912
Turnover Tax/ Permit Fee Etc./concent/cess	99,32,258	1,33,94,246
Freight & Cartage	2,03,07,178	1,47,68,929
Service Tax on Transportation	62,71,621	71,13,283
Total Manufacturing Expenses (I)	<u>1,45,46,76,923</u>	<u>67,44,06,593</u>
II Selling & Marketing Expenses	For the Year ended March 31, 2012	For the Year ended March 31, 2011
Business Surplus to BDA	3,91,18,108	6,48,01,377
Carriage & Freight outward	10,09,32,689	7,38,32,376
Excise Establishment & Supervision/Export fee	1,91,36,151	44,74,570
Sales Promotion Expenses	17,52,155	1,09,15,908
Sales Incentive	15,69,792	14,73,096
Delhi Godown Expenses	77,68,367	1,00,00,106
Marketing Expenses/Commission	1,65,50,497	95,18,389
Total Selling & Marketing Expenses (II)	<u>18,68,27,759</u>	<u>17,50,15,822</u>

Globus Spirits Limited

Notes to the Financial Statements for the year ended March 31, 2012

III Administrative Expenses	For the Year ended March 31, 2012	For the Year ended March 31, 2011
Legal, Professional & Consultancy	1,02,82,379	62,36,947
Printing & Stationery	9,02,581	12,52,158
Postage & Telephone	29,20,577	27,70,904
Travelling Expenses	1,19,15,635	91,61,763
Subscription, Books & Periodicals	8,23,640	9,28,771
Wealth Tax	1,52,775	1,56,241
Electricity Expenses	6,09,052	6,37,023
Rent	1,48,85,128	48,72,757
Repair & Maintenance - Others	75,06,937	92,88,835
Insurance	32,76,107	27,66,915
Advertisement	2,33,646	7,36,636
Rates & Taxes	7,37,921	4,44,845
Interest on Income Tax	1,08,017	5,400
Audit Fee	10,96,399	3,70,000
Recruitment & Training	9,46,992	6,40,374
Exchange Fluctuation	-	1,045
Vehicle Repair & Maintenance	44,03,353	31,19,242
Conveyance	5,20,831	5,80,868
Director's Sitting Fee	4,72,076	2,57,210
sports expenses	1,47,465	96,041
Miscellaneous Expenses	23,15,806	2858289
Investor Relation Exps.	28,01,683	3419178
Loss on sale Fixed Assets	29,21,152	143091
Donation	4,23,386	383707
Total Administrative Expenses (III)	7,04,03,538	5,11,28,240
IV Other Expenses Written off	For the Year ended March 31, 2012	For the Year ended March 31, 2011
written off of deferred revenue brand promotion	17,67,416	17,67,416
Preliminary Expenses. Written- off	-	13,530
Total Expenses Written off (IV)	17,67,416	17,80,946
Total Other Expenses (I+II+III+IV)	1,71,36,75,636	90,23,31,601

Annexed to our Report of even date

For & on Behalf of the Board

For B.M. Chatrath & Co.
Chartered Accountants

Sd/-
(Umesh C. Pandey)
Partner
M.No. 55252
Place : New Delhi
Date : 26/05/2012

Sd/-
(Ajay K. Swarup)
Managing Director
Sd/-
(Dr. Bhaskar Roy)
Director Finance & CFO

Sd/-
(Manik Lal Dutta)
Executive Director
Sd/-
(Santosh Kumar Pattanayak)
Company Secretary



Globus Spirits Limited

Notes to the Financial Statements for the year ended March 31, 2012

22 Additional information pursuant to Paragraph 4 of Part-II of Schedule VI to the Companies Act, 1956

A Licensed and Installed Capacity and Production:

Licensed Capacity (Rectified Spirit)	8,44,00,000	BL Per Annum
Installed Capacity (Rectified Spirit)	8,44,00,000	BL Per Annum

B Quantitative Details

	Current Year 2011-12			Previous Year 2010-11		
	Quantity			Quantity		
a) Production						
Industrial Alcohol (Beh)	13352504	BL		1,41,48,133	BL	
Industrial Alcohol (Sam)	40889224	PL		2,40,51,914	PL	
Industrial Alcohol (Hisar)	20749242.28	PL		1,50,21,614	PL	
ENA	9384836	BL		4387436	BL	
Country Liquor (Sam)	25029630	PL		18826702	PL	
Country Liquor(Beh)	4107130	Cases		2522389	Cases	
Country Liquor(Hisar)	2979839	Cases		11388083	Cases	
IMFL-ABD	808959	Cases		7,86,594	Cases	
IMFL-UNITS	531548	Cases		4,28,840	Cases	
IMFL-UNIT Hisar				58,617	Cases	
b) Opening Stock						
Finished Goods						
Industrial Alcohol (Beh)	598243	BL	1,97,04,080	1119056	BL	35383653
Industrial Alcohol (Sam)	682721.08	PL	1,38,07,694	943859	PL	19125003
Industrial Alcohol (Hisar)	888020	PL	1,87,54,988	745964	PL	14732785
ENA	233200	BL	81,47,211	224475	BL	7548669
C/L Blend (Behror)	223461	BL	27,80,372	226896	BL	2696736
IMFL Blend UP					BL	624164
CL Stock - Delhi Godown	81600	Cases	1,23,81,600	45760	Cases	8290797
CL-Blending Stock- Sam.	115089.5	PL	23,65,738	99356	PL	2042658
CL-Blending Stock- Hisar	64351	PL	14,83,722	117998	PL	1919197
IMFL-Blend-Behror		BL		881	BL	12879
IMFL-Malt Blend-Behror	740	BL	89,111	1729	BL	208206
IMFL-Blend-Sam.	96609.28	PL	44,26,404	45145	PL	1076364
IMFL-Blend-Hisar	95882	PL	20,72,555	76911	PL	1956791
CL-Bottled Stock -Behror	10574	Cases	25,25,759	28581	Cases	5955882
CL-Bottled Stock-Samalkha	56705	PL	19,48,586	146804	PL	4890448
CL-Bottled Stock-Hisar	113274	PL	42,95,205	181843	PL	4722025
IMFL-Bottled -Other Units	51729	Cases	2,40,64,426	18075	Cases	9251748
IMFL-Bottled-Behror	2165	Cases	7,58,911	2385	Cases	574332
IMFL-Bottled-Samalkha				40312	PL	1958632
IMFL-Bottled-Hisar	146700	PL	58,56,264	22307	PL	882888
RTD Bottle Stock					Cases	
Total			12,54,62,626			12,38,51,955
Raw Material						
Molasses (Behror)	1331.4	QTL	6,02,643	1331.4	QTL	6,02,643
Molasses (Samalkha)		QTL			QTL	
Molasses (Hisar)	323	QTL	2,07,510	323	QTL	2,07,510
Bajra/ Rice Flour (Behror)	34912.24	QTL	3,49,49,677	36332.86	QTL	37663989
Bajra/ Rice Flour (Samalkha)	37806.73	QTL	3,76,72,375	40096.3	QTL	40901746
Bajra/ Rice Flour (Hisar)	7005	QTL	72,13,521	4049	QTL	4524304
Raw Material (Others)-Beh.			52,71,345	-		1431989
Raw Material (Others)-Sam.			21,06,013			2693190
Raw Material (Others)-Units			69,52,564			9914927
Raw Material (Others)-Hisar			32,95,529			-
Total			9,82,71,177			9,79,40,298
c) Closing Stock						
Raw Material						
Molasses (Behror)	1331.4	QTL	6,02,643	1331.4	QTL	602643
Molasses (Hisar)				323	QTL	2,07,510
Bajra/ Rice Flour (Behror)	33391	QTL	3,75,79,197	34912.24	QTL	3,49,49,677
Bajra/ Rice Flour (Samalkha)	41874.7	QTL	4,58,16,683	37806.73	QTL	3,76,72,375
Bajra/ Rice Flour (Hisar)	6824.66	QTL	76,27,008	7005	QTL	72,13,521
Raw Material (Others)-Beh.			3,45,559			52,71,345
Raw Material (Others)-Sam.			12,89,291			21,06,013
Raw Material (Others)-Units			50,36,856			69,52,564
Raw Material (Others)-Hisar.			12,62,263			32,95,529
Total			9,95,59,500			9,82,71,177
BLEND						
CL-Blending Stock- Sam.	101082	PL	22,57,832	115089.5	PL	2365738
C/L Blend (Behror)	833001	BL	1,14,62,813	223461	BL	2780372
C/L Blend (Hisar)	71450.5	PL	17,70,378	64351	PL	1483722
IMFL-Blend-Behror	428798	BL	79,94,553		BL	
IMFL-Malt Blend-Behror	-	BL	-	740	BL	89111
IMFL-Blend-Sam.	64590	PL	15,09,606	196609.28	PL	4426404
IMFL-Blend-Hisar	73357.62	PL	17,60,835	95882	PL	2072555
IMFL Blend - Other Units	-	BL	-		BL	

Globus Spirits Limited

Notes to the Financial Statements for the year ended March 31, 2012

Finished Goods							
Industrial Alcohol (Beh)&Othrs.	1222464	BL	4,49,85,424		598243	BL	19704080
Industrial Alcohol (Sam)	2478679.11	PL	5,45,51,700		682721.08	PL	13807694
Industrial Alcohol (Hisar)	1338122.11	PL	3,21,15,874		888020	PL	18754988
ENA	625056	BL	2,42,51,534		233200	BL	8147211
CL-Bottled Stock (Sam)	73888	PL	27,76,881		56705	PL	1948588
CL-Bottled at Behror	46995	Cases	1,17,05,791		10574	Cases	2525759
CL-Bottled- (Hisar)	169051	PL	70,62,403		113274	PL	4295205
IMFL-Boitied -Other Units	39645	Cases	1,69,01,250		51729	Cases	24064428
CL Stock - Delhi Godown	30600	Cases	1,54,20,400		61600	Cases	12381600
IMFL-Bottled-Behror	7144	Cases	27,17,443		2165	Cases	758911
IMFL-Bottled-(Hisar- Delhi Godown)		PL			148700	PL	5856264
			<u>23,92,44,317</u>				<u>12,54,62,626</u>
d) Sales							
Industrial Alcohol (Beh)	2994536	BL	11,67,59,600	38.99	2812600	BL	100857720
Industrial Alcohol (Sam)	16934860.92	PL	38,55,61,365	22.77	19675984	PL	408293470
Industrial Alcohol (Hisar)	5018145.34	PL	19,03,88,187	37.94	5086122	PL	106663754
ENA	66,24,328.00	BL	26,03,11,216	39.30	36,94,386	BL	127744261
Bottled - IMFL- ABD	803960	Cases	1,33,13,29,718	1,655.97	784429	Cases	1288194526
Bottled-IMFL UNITS	534486	Cases	44,42,69,303	831.21	399977	Cases	410381816
Bottled-IMFL- (Hisar)	0	PL			68074	PL	3842090
Bottled- Country Liquor(Sam)	21753000	PL	1,41,47,31,306	65.04	12259575	PL	816576968
Delhi-Country Liquor	1145249	Cases	24,19,85,038	211.29	1008995	Cases	199666358
C/L-Bottled Behror	4070709	Cases	1,07,67,17,685	264.50	2538396	Cases	694318152
C/L-Bottled- (Hisar)	10517850	PL	70,54,90,785	67.08	11419650	PL	718091634
Export Sale	1200000	BL	5,20,08,428				
Sale -Spent Grain			12,90,20,370				83923468
Organic Mannure			18,16,10,800				150422374
Steam & Energy			58,09,54,230				98311706
Sales (others)			2,63,79,685				9490588
			<u>7,13,75,15,696</u>				<u>5,21,57,76,883</u>
e) Raw Material consumed							
Bajra/ Rice Flour- Samaikha	593384.76	QTL	64,92,44,564	1,094.14	353687.84	QTL	352430728
Bajra/ Rice Flour-Behror	531535.3	QTL	59,82,05,197	1,125.43	360257.22	QTL	360643531
Bajra/ Rice Flour-Hisar	306214.34	QTL	34,22,14,740	1,117.57	226874	QTL	233620765
Rectified Spirit -otr-Units	0	BL	2,59,04,606			QTL	
Rectified Spirit (Beh.)	1660600		62090426	37.39			
Rectified Spirit (Sam)	3735485	PL	8,61,27,180	23.06	15815957	PL	265302825
Rectified Spirit (Hisar)	800112	PL	1,82,32,096	22.79	3390812	PL	56183849
Rectified Spirit (IMFL)BDA	3300328	BL	12,18,17,215	36.91	3104386	BL	109075861
Raw Material- Export Div.)	1200000	BL	2,51,40,000	20.95			
Raw Material -Othrs-imfl Units			2,08,94,321			BL	34414880
Raw Material Others			73,18,122				11837210
Raw Material Others- (Hisar)			1,90,44,352				14726850
			<u>1,97,62,33,819</u>				<u>1,43,83,36,499</u>



Globus Spirits Limited

CASH FLOW STATEMENT AS ON 31-03-2012

PARTICULARS	Amount (In Rs.)
(A) CASH FLOW FROM OPERATING ACTIVITIES:	
Net Profit/(Loss) before Tax, Adjustment for prior period and extra ordinary activities	57,75,13,733
Adjustment for:-	
Depreciation	12,29,65,703
Interest Paid	4,82,30,530
Dividend Income	(59,971)
Loss / profit on Sale of Fixed assets	29,21,152
Other Income	(14,10,505)
Preliminary & Other Expenses w.off	17,67,416
Interest Received	(48,39,857)
Operating Profit before Working Capital Changes-	74,70,88,201
Adjustment for:-	
Inventories	(13,58,34,505)
Sundry Debtors	(13,27,50,433)
Other Current Assets	(2,70,37,356)
Current Liabilities & other payable	37,81,99,214
NET CASH FROM OPERATING ACTIVITIES (A)	82,96,65,121
(B) CASH FLOW FROM INVESTING ACTIVITIES:	
Addition in Fixed Assets	(1,20,34,48,179)
Increase in Deferred Revenue Expenditure	
Addition in Investment	
Sale Proceeds of Fixed Assets	42,00,311
Misc. Income	14,10,505
Interest Received	48,39,857
Dividend Received	59,971
NET CASH USED IN INVESTING OPERATING ACTIVITIES (B)	(1,19,29,37,535)
(C) CASH FLOW FROM FINANCING ACTIVITIES:	
Interest Paid	(4,82,30,530)
Increase in Secured Loan	41,86,22,512
Increase in Unsecured Loan	
Increase in share capital & general reserve	1,08,00,000
NET CASH USED IN FINANCING ACTIVITIES (C)	38,11,91,982
Net Increase/Decrease in Cash & Cash Equivalents (A+B+C)	1,79,19,568
Cash & Cash Equivalents at the begning of the year	5,45,86,545
Cash & Cash Equivalents at the closing of the year	7,25,06,113

Annexed to our Report of even date

For & on Behalf of the Board

For B.M. Chatrath & Co.
Chartered Accountants
Sd/-
(Umesh C. Pandey)
Partner
M.No.55252
Place : New Delhi
Date : 26th May, 2012

Sd/-
(Ajay K. Swarup)
Managing Director
Sd/-
(Dr. Bhaskar Roy)
Director Finance & CFO

Sd/-
(Manik Lal Dutta)
Executive Director
Sd/-
(Santosh Kumar Pattanayak)
Company Secretary

AUDITORS CERTIFICATE ON CASH FLOW STATEMENT

We have examined the above cash flow statement of M/s Globus Spirits Limited which is derived from the financial statements for the year ended 31st March 2012 as per books of accounts and financial statements and details and annexure produced before us by the management of the company for our verification and found in order.

For B.M.CHATRATH & CO.
CHARTERED ACCOUNTANTS
Sd/-

Place: New Delhi
Date: 26th May, 2012

(Umesh C.Pandey)
Partner
M No. 55252

Globus Spirits Limited

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No. : 55-52177 State Code : 55
Balance Sheet Date : 31.03.2012

II Capital raised during the year (Amount in Rs.Thousand)

Public Issue: NIL Right Issue : NIL
Bonus Issue: NIL Private Placement : NIL

III Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousand)

Total Liabilities : 49,95,866 Total Assets : 49,95,866

Sources of Funds

Paid-up Capital : 2,29,977 Reserves & Surplus : 22,43,125
Share Application : NIL
Secured Loan : 9,61,908 Unsecured Loan : 1,02,280
Deferred tax liability : 3,08,791

Application of Funds

Net Fixed Assets : 33,97,076 Investment : 1,177
Net Current Assets : 5,26,363 Misc.Expenditure : -
Accumulated Losses : NIL

IV Performance of the Company (Amount in Rs.Thousand)

Turnover (incl.other Income) : 55,74,282 Total Expenditure : 50,02,645
Profit before tax : 5,77,514 Profit after Tax : 4,08,924
Earning per Share : 17.78 Dividend Rate(%) : 12

V General Name of Principal Products/Service of the Company (as per monetary terms)

Item Code No. (ITC Code) : 2207
Product Description : ETHYL ALCOHOL

Annexed to our Report of even date

For & on Behalf of the Board

For B.M. Chatrath & Co.
Chartered Accountants

Sd/-
(Umesh C. Pandey)
Partner
M.No. 55252
Place : New Delhi
Date : 26/05/2012

Sd/-
(Ajay K. Swarup)
Managing Director
Sd/-
(Dr. Bhaskar Roy)
Director Finance & CFO

Sd/-
(Manik Lal Dutta)
Executive Director
Sd/-
(Santosh Kumar Pattanayak)
Company Secretary



NOTICE

NOTICE is hereby given that the **Nineteenth Annual General Meeting** of the Members of the Company will be held on Friday, 21 September 2012 at 11.30A.M. at Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-110003, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012, the Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors & other reports thereon.
2. To declare dividend on Equity Shares of the company
3. To appoint a Director in place of Mr. Joginder Singh Dhamija, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Santosh Kumar Bishwal, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint auditors of the company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s B. M. Chatrath & Co., Chartered Accountants, retiring Auditors, are eligible for re-appointment.

Special Business :

6. To consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution
"RESOLVED THAT Sh. Satinder Lachhman Singh, who was appointed by the Board of Directors as Additional Director w.e.f. 26 May 2012 and designated as Non-executive & Independent Director of the company and who holds office pursuant to Section 260 of the Companies Act, 1956 (hereinafter referred to as "the Act") up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of a Director pursuant to Section 257 of the Act, be and is hereby appointed as a Director of the Company."
7. To consider, and, if thought fit, to pass with or without modification the following resolution as Ordinary Resolution :
"RESOLVED THAT Sh. Vivek Gupta, who was appointed by the Board of Directors as Additional Director w.e.f. 11-August 2012 and designated as Non-executive & Independent Director of the company and who holds office pursuant to Section 260 of the Companies Act, 1956 (hereinafter referred to as "the Act") up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of a Director pursuant to Section 257 of the Act, be and is hereby appointed as a Director of the Company."
8. To consider, and, if thought fit, to pass with or without modification the following resolution as Ordinary Resolution :
"RESOLVED THAT Sh. Kunal Agarwal, who was appointed by the Board of Directors as Additional Director w.e.f. 11- August 2012 and designated as Non-executive & Independent Director of the company and who holds office pursuant to Section 260 of the Companies Act, 1956 (hereinafter referred to as "the Act") up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of a Director pursuant to Section 257 of the Act, be and is hereby appointed as a Director of the Company."
9. To consider, and, if thought fit, to pass with or without modification the following resolution as Ordinary Resolution :
"RESOLVED THAT Sh. Shekhar Swarup, who was appointed by the Board of Directors as Additional Director w.e.f. 26- May 2012 and designated as Executive Director of the company and who holds office pursuant to Section 260 of the Companies Act, 1956 (hereinafter referred to as "the Act") up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of a Director pursuant to Section 257 of the Act, be and is hereby appointed as a Director of the Company."
10. To consider, and, if thought fit, to pass with or without modification the following resolution as Ordinary Resolution :
"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309 read with Schedule-XIII and all other applicable provisions of the Companies Act, 1956, consent be accorded to the appointment of Sh. Shekhar Swarup as Executive Director of the company whose period shall be determined by liable to retire by rotation on a monthly remuneration as under :
Basic Salary: Rs.75,000/- per month with suitable increases as determined by the Board.
HRA : Rs.37,500/- per month with suitable increases as determined by the Board.
Special Allowance: Rs.35,450/- per month with suitable increases as determined by the Board.
Medical Reimbursement : Rs. 1,250/- per month with suitable increases as determined by the Board.
Conveyance : Rs.800/- per month with suitable increases as determined by the Board.
Perquisites : In addition to the above Sh. Shekhar Swarup will be entitled to the following perquisites restricted to an amount to be decided by the Board of Directors. Unless the context otherwise requires the perquisites are classified as follows :-
(i) **Club fee :** Fees of clubs, subject to a maximum of two clubs provided that no life membership or admission fee will be allowed
(ii) **Gratuity** not exceeding half month's salary for each completed year of service subject to a ceiling of Rs.10lakhs.
(iii) **Provisions** : - car with driver for use of company's business.
: - Telephone at Residence.
(iv) **Earned / Privilege Leave :** One month's leave with full pay and allowances for every 11 months of service subject to the condition that leave accumulated but not availed of will not be allowed to be encashed.
If at any time the Director ceases to be Director of the company for any cause whatsoever, he shall cease to be Whole-time Director of the Company."
"RESOLVED FURTHER THAT Sh. Santosh Kumar Pattanayak, Company Secretary of the company be and is hereby authorized to file necessary returns with the ROC and to do all such things and deeds as required from time to time to give effect to the above resolution."
11. Re-appointment of Sh. Ajay K. Swarup as Managing Director of the company.
To consider, and, if thought fit, to pass with or without modification the following resolution as Ordinary Resolution :
"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309 read with Schedule-XIII and all other applicable provisions of the Companies Act, 1956, consent be accorded to the re-appointment of Sh. Ajay K. Swarup as Managing Director

of the company for a period of five years w.e.f. 1- December 2011 on a monthly remuneration as under :

Basic Salary : Rs.3,50,000/- per month with suitable increases as determined by the Board.

HRA : Rs.1,40,000/- per month with suitable increases as determined by the Board.

Special Allowance: Rs.30,000/- per month with suitable increases as determined by the Board.

Variable Pay : Rs.1,05,000/- per month with suitable increases as determined by the Board.

Perquisites : In addition to the above Sh. Ajay K. Swarup will be entitled to the following perquisites restricted to an amount to be decided by the Board of Directors. Unless the context otherwise requires the perquisites are classified as follows :-

(i) **Medical Reimbursement** : Expenses incurred for self and family subject to a ceiling of one month salary in a year or three months, salary over a period of three years.

(ii) **Leave Travel Concession** for self and family once in a year in accordance with the Rules of the company.

(iii) **Club fee** : Fees of clubs, subject to a maximum of three clubs provided that no life membership or admission fee will be allowed.

(iv) **Gratuity** not exceeding half month's salary for each completed year of service subject to a ceiling of Rs.10lakhs.

(v) **Provision of car** with driver for use of company's business and telephone at Residence, but personal long distance calls on telephone and use of car for private purpose shall be billed by the company to the Managing Director.

(vi) **Earned / Privilege Leave** : One month's leave with full pay and allowances for every 11 months of service subject to the condition that leave accumulated but not availed of will not be allowed to be encashed.

The appointment may be terminated by either party giving the other party one month notice or the company paying one month's salary in lieu thereof.

If at any time the Director ceases to be Director of the company for any cause whatsoever, he shall cease to be Managing Director of the Company."

"RESOLVED FURTHER THAT Sh. Santosh Kumar Pattanayak, Company Secretary of the company be and is hereby authorized to file necessary returns with the ROC, if required and to do all such things and deeds as required from time to time to give effect the above resolution."

12. Re-appointment of Sh. Manik Lal Dutta as Executive Director of the company.

To consider, and, if thought fit, to pass with or without modification the following resolution as Ordinary Resolution : "RESOLVED THAT pursuant to the provisions of sections 198, 269, 309 read with Schedule-XIII and all other applicable provisions of the Companies Act, 1956, consent be accorded to the re-appointment of Sh. Manik Lal Dutta as Executive Director of the company for a period of three years w.e.f. 1-August 2012 on a remuneration as under :

Basic Salary: Rs.63,134/- per month with suitable increases as determined by the Board.

HRA : Rs.31,566/- per month with suitable increases as determined by the Board.

Transport Allowance: Rs.800/- per month with suitable increases as determined by the Board.

Medical Reimbursement: Rs.1,250/- per month with suitable increases as determined by the Board

LTA : Rs.15,000/- per annum with suitable increases as determined by the Board.

Variable Pay : Rs.12,000/- per month with suitable increases as determined by the Board

Perquisites : In addition to the above Sh. Manik Lal Dutta will be entitled to the following perquisites restricted to an amount to be decided by the Board of Directors. Unless the context otherwise requires the perquisites are classified as follows :-

(i) **Gratuity** not exceeding half month's salary for each completed year of service subject to a ceiling of Rs.10lakhs.

(ii) **Bonus** as per company's rules and regulations.

(iii) **Provision of car** with driver for use of company's business purpose.

(iv) **Telephone facility** for use of company's business purpose.

(v) **Earned / Privilege Leave** : One month's leave with full pay and allowances for every 11 months of service subject to the condition that leave accumulated but not availed of will not be allowed to be encashed.

If at any time the Director ceases to be Director of the company for any cause whatsoever, he shall cease to be Whole-time Director of the Company."

"RESOLVED FURTHER THAT Sh. Santosh Kumar Pattanayak, Company Secretary of the company be and is hereby authorized to file necessary returns with the ROC, if required and to do all such things and deeds as required from time to time to give effect the above resolution."

13. Increase in the remuneration of Sh. Rajesh Kumar Malik, Whole-time Director of the company.

To consider, and, if thought fit, to pass with or without modification the following resolution as Ordinary Resolution : "RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 310, read with Schedule-XIII and all other applicable provisions of the Companies Act, 1956, and pursuant to the provisions of Article of Association of the company, consent be accorded to the increase in the remuneration of Sh. Rajesh Kumar Malik, who was appointed as Whole-time Director of the company w.e.f. 1- December 2006. His present monthly remuneration is as under :

Basic Salary : Rs.36,155/- per month with suitable increases as determined by the Board.

HRA : Rs.14,462/- per month with suitable increases as determined by the Board.

Special Allowance: Rs.20,309/- per month with suitable increases as determined by the Board.

Conveyance Allowance: Rs.6,000/- per month with suitable increases as determined by the Board.

Perquisites : In addition to the above Sh. Rajesh Kumar Malik will be entitled to the following perquisites restricted to an amount to be decided by the Board of Directors. Unless the context otherwise requires the perquisites are classified as follows :-

(i) **Gratuity** not exceeding half month's salary for each completed year of service subject to a ceiling of Rs.10lakhs.

(ii) **Bonus** as per company's rules and regulations.

(iii) **Provision of car** with driver for use of company's business and for private purpose.

(iv) **Telephone facility** for use of company's business purpose.



(V) Earned / Privilege Leave : One month's leave with full pay and allowances for every 11 months of service subject to the condition that leave accumulated but not availed of will not be allowed to be encashed.

If at any time the Director ceases to be Director of the company for any cause whatsoever, he shall cease to be Whole-time Director of the Company."

"RESOLVED FURTHER THAT Sh. Santosh Kumar Pattanayak, Company Secretary of the company be and is hereby authorized to file necessary returns with the ROC, if required and to do all such things and deeds as required from time to time to give effect the above resolution."

14. Increase in the remuneration of Sh. Rameshwar Dayal Aggarwal, Whole-time Director of the company.

To consider, and, if thought fit, to pass with or without modification the following resolution as Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 310, read with Schedule-XIII and all other applicable provisions of the Companies Act, 1956, and pursuant to the provisions of Article of Association of the company, consent be accorded to the increase in the remuneration of Sh. Rameshwar Dayal Aggarwal, who was appointed as Whole-time Director of the company w.e.f. 1- December 2006. His present monthly remuneration is as under :

Basic Salary: Rs.29,524/- per month with suitable increases as determined by the Board.

HRA : Rs.18,150/- per month with suitable increases as determined by the Board.

Transport Allowance : Rs.800/- per month with suitable increases as determined by the Board.

Medical Reimbursement: Rs.1,250/- per month with suitable increases as determined by the Board

Special Allowance: Rs.8,480/- per month with suitable increases as determined by the Board.

Variable Pay : Rs.6,900/- per month with suitable increases as determined by the Board

Perquisites : In addition to the above Sh. Rameshwar Dayal Aggarwal will be entitled to the following perquisites restricted to an amount to be decided by the Board of Directors. Unless the context otherwise requires the perquisites are classified as follows :-

(i) **Gratuity** not exceeding half month's salary for each completed year of service subject to a ceiling of Rs.10lakhs.

(ii) **Bonus** as per company's rules and regulations.

(iii) **Provision of car** with driver for use of company's business and for private purpose.

(iv) **Telephone facility** for use of company's business purpose.

(v) Earned / Privilege Leave : One month's leave with full pay and allowances for every 11 months of service subject to the condition that leave accumulated but not availed of will not be allowed to be encashed.

If at any time the Director ceases to be Director of the company for any cause whatsoever, he shall cease to be Whole-time Director of the Company."

"RESOLVED FURTHER THAT Sh. Santosh Kumar Pattanayak, Company Secretary of the company be and is hereby authorized to file necessary returns with the ROC, if required and to do all such things and deeds as required from time to time to give effect the above resolution."

- 15 Increase in the remuneration of Dr. Bhaskar Roy, Director (Finance) & CFO of the company.

To consider, and, if thought fit, to pass with or without modification the following resolution as Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 310, read with Schedule-XIII and all other applicable provisions of the Companies Act, 1956, and pursuant to the provisions of Article of Association of the company, consent be accorded to the increase in the remuneration of Dr. Bhaskar Roy, who was appointed as Director (Finance) & CFO of the company w.e.f. 22- October 2009. His present monthly remuneration is as under:

Basic Salary: Rs.1,06,000/- per month with suitable increases as determined by the Board.

Transport Allowance : Rs.800/- per month with suitable increases as determined by the Board.

Medical Reimbursement: Rs.1,250/- per month with suitable increases as determined by the Board

Special Allowance: Rs.15,250/- per month with suitable increases as determined by the Board.

Variable Pay : Rs.18,750/- per month with suitable increases as determined by the Board

LTA : Rs.15,000/- per annum with suitable increases as determined by the Board.

Perquisites : In addition to the above Dr. Bhaskar Roy will be entitled to the following perquisites restricted to an amount to be decided by the Board of Directors. Unless the context otherwise requires the perquisites are classified as follows :-

(i) **Gratuity** not exceeding half month's salary for each completed year of service subject to a ceiling of Rs.10lakhs.

(ii) **Bonus** as per company's rules and regulations.

(iii) **Provision of car** with driver for use of company's business and for private purpose.

(iv) **Telephone facility** for use of company's business purpose.

(v) Earned / Privilege Leave : One month's leave with full pay and allowances for every 11 months of service subject to the condition that leave accumulated but not availed of will not be allowed to be encashed.

If at any time the Director ceases to be Director of the company for any cause whatsoever, he shall cease to be Whole-time Director of the Company."

"RESOLVED FURTHER THAT Sh. Santosh Kumar Pattanayak, Company Secretary of the company be and is hereby authorized to file necessary returns with the ROC, if required and to do all such things and deeds as required from time to time to give effect the above resolution."

By Order of the Board
For Globus Spirits Limited
Sd/-

(Santosh Kumar Pattanayak)
Company Secretary

Place: New Delhi
Date: 11/08/2012

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. FORM OF PROXY IS SEPARATELY ANNEXED.**
2. The instrument appointing a proxy must be received at the Registered Office of the Company at least 48 hours before the commencement of the meeting.
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business is annexed hereto.
4. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
5. Members are requested to notify immediately any change in their address to the Registrar & Transfer Agent quoting their Folio Number to the following address:

Link Intime India Pvt. Ltd.
A-40, 2nd Floor, Naraina Industrial Area, Phase-II
Near Batra Banquet Hall, New Delhi-110028

6. Members who have multiple ledger folios in identical names or joint names in same order are requested to intimate/send the concerned share certificates quoting their ledger folios of such accounts to enable the Registrar & Transfer Agent to consolidate all such shareholdings into one folio.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 15th September 2012 to 21st September 2012 (both the dates inclusive).
8. Members intending to seek any information on the Annual Accounts at the meeting are requested to inform the Company in writing at least one week prior to the date of the meeting.

Details of the Directors seeking appointment/reappointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement):

Name	Sh. Joginder Singh Dhamija	Sh. Santosh Kumar Bishwal	Sh. Satinder Lachhman Singh	Sh. Vivek Gupta
Age	78 Years	65 Years	64 Years	44 Years
Qualifications	B.A, LLB, PCS (Retd.)	B. Sc (Eng) Mech, M. Tech (IIT) (Industrial Engg & Operations Research)	Chemical Engineer from IIT, Delhi	B.Com (Hons) from Delhi University
Expertise in specific functional area	He has got almost 48 years of vast experience in heading many distilleries & brewery units.	He has vast experience in entire manufacturing process of distilleries & brewery units.	He has over 42 years experience in the Distillery, Sugar, Pesticide, Chemical and the Engineering Sectors.	He is a prominent industrialist & has over 20 years experience in the corporate sector.
Date of appointment as Director of the Company	20.02.2007	20.02.2007	26.05.2012	11.08.2012
Directorship of other Companies #	NIL	NIL	NIL	1. Delton Cables Ltd., 2. Vishrant Trading Enterprises Ltd., 3. B&M Trading & Investments Co. Ltd., 4. Saneh Industrial Investments Ltd., 5. Ram Kumar Gupta & Sons Ltd., 6. Delton International Ltd.
Chairman/Member of Committees of other Companies*	NIL	NIL	NIL	NIL
No. of shares held*	NIL	NIL	NIL	NIL
Inter-se relationship With other Directors	NIL	NIL	NIL	NIL
Name	Sh. Kunal Agarwal	Sh. Sheldhar Swarup	Sh. Ajay K. Swarup	Sh. Manik Lal Dutta
Age	25 Years	26 Years	53 Years	66 Years
Qualifications	A.B. (Hons.) degree in Economics from Harvard College	Degree in Business & Management from University of Bradford, UK	B.A.(Honours), PGDBM (IIM, Kolkata)	M. Tech, PGDBM
Expertise in specific functional area	He is an industrialist & has experience in senior in the corporate sector.	A strategic planner and a marketer at heart, he started up the branded liquors division in the company.	He has over 26 years of experience in the alcohol and distillery industry and in addition to day-to-day affairs of the company he is responsible for business policies, strategic decisions, business development etc.	He is the overall in-charge and responsible for production, planning, IMFL blends, brand development etc.
Date of appointment as Director of the Company	11.08.2012	26.05.2012	01.12.2006	01.08.2006
Directorship of other companies #	NIL	1.M/s Himalayan Spirits Limited 2.M/s Globus Spirits (Jharkhand) Ltd.	1. Chandbagh Investments Ltd, 2. Biotech India Ltd., 3. Himalayan Spirits Ltd., 4. Globus Spirits (Jharkhand) Ltd. 5. Informed India Technologies Ltd.	NIL
Chairman/Member of Committees of other Companies*	NIL	NIL	NIL	NIL
No. of shares held*	215	7,000	16,28,820	2,100
Inter-se relationship with other Directors	NIL	NIL	NIL	NIL

Note: +. Only Audit Committee and Shareholders' Grievance Committee are considered for the purpose of Committee position as per Listing Agreement.

#. Private Limited Companies, Foreign Companies and companies under Section 25 of the companies Act, 1956 are excluded for the above purposes.

*. Shares held by Directors are considered as on 11.08.2012



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

ITEM No. 6

The Board had co-opted Mr. Satinder Lachhman Singh as an Additional Director w.e.f. 26th May 2012. As an additional director, he holds office till the date of the forthcoming Annual General Meeting. Hence to be continued in the Board of Directors he needs to be regularized in the AGM.

As required, notice under section 257 of the companies Act, 1956 has been received from a member proposing the name of Mr. Satinder Lachhman Singh for the office of Director of the company. Accordingly, the Board recommends the resolutions to be passed by the shareholders as per the requirements of the Companies Act, 1956.

None of the Directors except Mr. Satinder Lachhman Singh is interested in the resolution except as shareholders holding in the aggregate very negligible percent of the issued shares of the capital of the company.

ITEM No. 7

The Board had co-opted Mr. Vivek Gupta as an Additional Director w.e.f. 11th August 2012. As an additional director, he holds office till the date of the forthcoming Annual General Meeting. Hence to be continued in the Board of Directors he needs to be regularized in the AGM.

As required, notice under section 257 of the companies Act, 1956 has been received from a member proposing the name of Mr. Vivek Gupta for the office of Director of the company. Accordingly, the Board recommends the resolutions to be passed by the shareholders as per the requirements of the Companies Act, 1956.

None of the Directors except Mr. Vivek Gupta is interested in the resolution except as shareholders holding in the aggregate very negligible percent of the issued shares of the capital of the company.

ITEM No. 8

The Board had co-opted Mr. Kunal Agarwal as an Additional Director w.e.f. 11th August 2012. As an additional director, he holds office till the date of the forthcoming Annual General Meeting. Hence to be continued in the Board of Directors he needs to be regularized in the AGM.

As required, notice under section 257 of the companies Act, 1956 has been received from a member proposing the name of Mr. Kunal Agarwal for the office of Director of the company. Accordingly, the Board recommends the resolutions to be passed by the shareholders as per the requirements of the Companies Act, 1956.

None of the Directors except Mr. Kunal Agarwal is interested in the resolution except as shareholders holding in the aggregate very negligible percent of the issued shares of the capital of the company.

ITEM No. 9

The Board had co-opted Mr. Shekhar Swarup as an Additional Director w.e.f. 26th May 2012. As an additional director, he holds office till the date of the forthcoming Annual General Meeting. Hence to be continued in the Board of Directors he needs to be regularized in the AGM.

As required, notice under section 257 of the companies Act, 1956 has been received from a member proposing the name of Mr. Shekhar Swarup for the office of Director of the company. Accordingly, the Board recommends the resolutions to be passed by the shareholders as per the requirements of the Companies Act, 1956.

None of the Directors except Mr. Shekhar Swarup & Mr. Ajay K. Swarup are interested in the resolution except as shareholders holding in the aggregate very negligible percent of the issued shares of the capital of the company.

ITEM No. 10

The Board of Directors of the Company has appointed Sh. Shekhar Swarup, as Executive Director of the Company, w.e.f. 26th May 2012.

Sh. Shekhar Swarup has considerable experience in Alcoholic Beverages Sector.

As per the provisions of the Companies Act, 1956, it is necessary to obtain the consent of the shareholders by an ordinary resolution for appointment and payment of remuneration to Sh. Shekhar Swarup as Executive Director of the Company.

Accordingly, the Board recommends the resolutions to be passed by the shareholders as per the requirements of the Companies Act, 1956.

None of the Directors except Mr. Shekhar Swarup & Mr. Ajay K. Swarup are interested in the resolution except as shareholders holding in the aggregate very negligible percent of the issued shares of the capital of the company.

ITEM No. 11

The tenure ship of Mr. Ajay K. Swarup as Managing Director in the company expires on 30th November 2011. Hence your Board of Director proposes Mr. Ajay K. Swarup, being an experienced person in the allied field, to be re-appointed as Managing Director of the Company for a period of another 5 years w.e.f. 1st December, 2011, which requires the member's approval for the same.

As required, notice under section 257 of the companies Act, 1956 has been received from a member proposing the name of Mr. Ajay K. Swarup for the office of Director of the company.

Accordingly, the Board recommends the resolutions to be passed by the shareholders as per the requirements of the Companies Act, 1956.

None of the Directors except Mr. Shekhar Swarup & Mr. Ajay K. Swarup are interested in the resolution except as shareholders holding in the aggregate very negligible percent of the issued shares of the capital of the company.

ITEM No. 12

The tenure ship of Mr. Manik Lal Dutta as Executive Director in the company expires on 31st July 2012. Hence your Board of Director proposes Mr. Manik Lal Dutta, being an experienced person in the allied field, to be re-appointed as Executive Director of the Company for a period of another 3 years w.e.f. 1st August, 2012, which requires the member's approval for the same.

As required, notice under section 257 of the companies Act, 1956 has been received from a member proposing the name of Mr. Manik Lal Dutta for the office of Director of the company.

Accordingly, the Board recommends the resolutions to be passed by the shareholders as per the requirements of the Companies Act, 1956.

None of the Directors except Mr. Manik Lal Dutta is interested in the resolution except as shareholders holding in the aggregate very negligible percent of the issued shares of the capital of the company.

ITEM No. 13

Your Board of Directors proposes to increase the remuneration of Sh. Rajesh Kumar Malik, the Whole-time Director of the company. As per provisions of Section 198, 269, 309, 310, read with Schedule-XIII and all other applicable provisions of the Companies Act, 1956, and pursuant to the provisions of Article of Association of the company, increase in remuneration of Sh. Rajesh Kumar Malik as Whole-time Director of the company requires confirmation of Share Holders of the company by passing Ordinary Resolution in the General Meeting of the company.

The Directors recommend the adoption of the resolution in the interest of the company.

None of the Directors of the company except Sh. Rajesh Kumar Malik has any interest in the proposed resolution.

ITEM No. 14

Your Board of Directors proposes to increase the remuneration of Sh. Rameshwar Dayal Aggarwal, the Whole-time Director of the company. As per provisions of Section 198, 269, 309, 310, read with Schedule-XIII and all other applicable provisions of the Companies Act, 1956, and pursuant to the provisions of Article of Association of the company, increase in remuneration of Sh. Rameshwar Dayal Aggarwal as Whole-time Director of the company requires confirmation of Share Holders of the company by passing Ordinary Resolution in the General Meeting of the company.

The Directors recommend the adoption of the resolution in the interest of the company.

None of the Directors of the company except Sh. Rameshwar Dayal Aggarwal has any interest in the proposed resolution.

ITEM No. 15

Your Board of Directors proposes to increase the remuneration of Dr. Bhaskar Roy, the Director Finance of the company. As per provisions of Section 198, 269, 309, 310, read with Schedule-XIII and all other applicable provisions of the Companies Act, 1956, and pursuant to the provisions of Article of Association of the company, increase in remuneration of Dr. Bhaskar Roy as Executive Director of the company requires confirmation of Share Holders of the company by passing Ordinary Resolution in the General Meeting of the company.

The Directors recommend the adoption of the resolution in the interest of the company.

None of the Directors of the company except Dr. Bhaskar Roy has any interest in the proposed resolution.

Place: New Delhi
Date: 11.08.2012

By Order of the Board
For **Globus Spirits Limited**
Sd/-
(Santosh Kumar Pattanayak)
Company Secretary



Dear Shareholder,

Sub: Green Initiative in the Corporate Governance

Ministry of Corporate Affairs ("MCA") has launched a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies. MCA has issued circular nos. 17/2011 dt. 21-04-2011 & 18/2011 dt. 29-04-2011 stating that the service of a notice / document by a company to its shareholders can now be made through electronic mode.

In view of the above, Company proposes to henceforth send Annual Report (Audited Financial Statements, Directors' Report, Auditors' Report, etc.,) and documents such as the Notice of the Annual General Meeting, to the shareholders in Electronic Form to the email address registered with their Depository Participants.

In this regard you are requested as follows :-

- a) **for Share(s) is/are held in DEMAT form** - You are requested to register or update your E-mail ID with your Depository Participant on or before 31/10/2012.
- b) **for Share(s) is/are held in physical form** - You are requested to register your E-mail ID by sending an email to santoshp@globusgroup.in giving details like Name and Folio No. on or before 31/10/2012.

Please note that as a member of the Company you are always entitled to request and receive, free of cost, all the aforesaid documents in physical form.

We at 'Globus' appreciate the "Green Initiative" taken by MCA and trust you would help implementing the e-governance initiatives of the Government.

Thanking you,

Yours faithfully,
For Globus Spirits Limited

Company secretary

GLOBUS SPIRITS LIMITED

Registered Office: A-46, FRIENDS COLONY (EAST), NEW DELHI-110065

PROXY FORM

Folio No.....
DP ID*.....
CLIENT ID*.....
No. of Shares.....

I/We of being a member/members of Globus Spirits Limited do hereby appoint of or failing him/her of as my/our proxy to attend and vote for me/us on my/our behalf at the 19th Annual General Meeting of the Company to be held on Friday, the 21st September, 2012 at 11.30 A..M. at Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-110003 and at any adjournment thereof.



Date..... Signature(s).....

Note: This Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time for commencement of the Meeting.

* Applicable for investors holding shares in demat form.

-----Tear Here-----

GLOBUS SPIRITS LIMITED

Registered Office: A-46, FRIENDS COLONY (EAST), NEW DELHI-110065

ATTENDANCE SLIP

Folio No.....
DP ID*.....
CLIENT ID*.....

I hereby record my presence at the 19th Annual General Meeting of the Company held on Friday, the 21st September, 2012 at 11.30A.M. at Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-110003.

Name of Attending Member.....
(In Block Letters)

Name of Proxy (In Block Letters).....
To be filled in, if proxy attend instead of the member)
(In Block Letters)

No. of Shares held.....
Member's/Proxy's Signature

Note: This attendance slip duly filled in should be handed over at the entrance of the meeting hall. Applicable for investors holding shares in demat form.



BOOK POST



If undelivered, please return to :
Globus Spirits Limited
A-46, Friends Colony (East),
New Delhi - 110065

