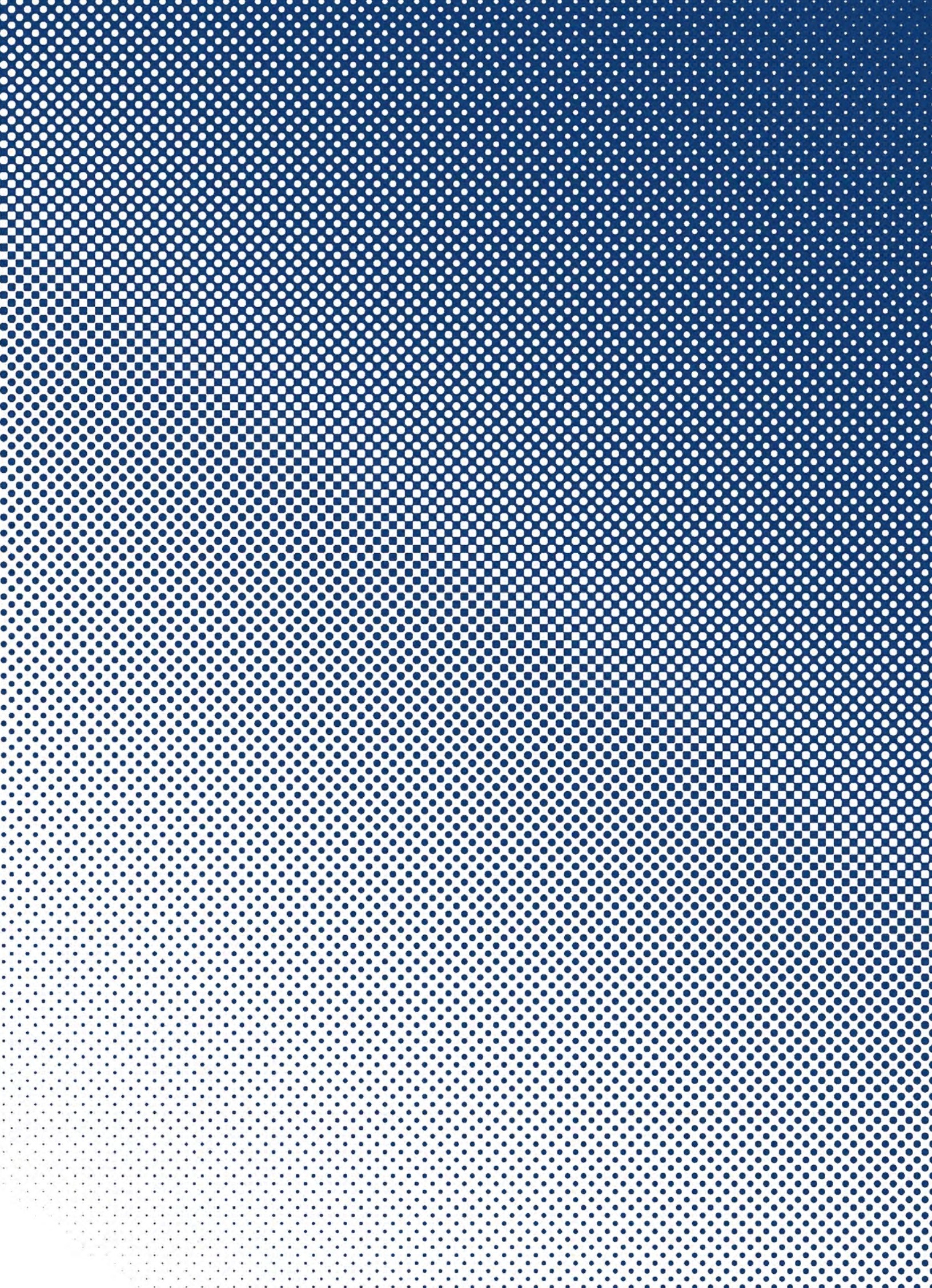


ANNUAL REPORT 2009-2010
GLOBUS SPIRITS LIMITED



Globus Spirits





Globus Spirits

Corporate Information

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)

WHOLETIME DIRECTORS & OCCUPIER

Mr. Rajesh Kumar Malik
Mr. Rameshwar Dayal Aggarwal

NON-EXECUTIVE & INDEPENDENT DIRECTORS

Mr. Joginder Singh Dhamija.
Mr. Santosh Kumar Bishwal

Auditors : M/s B.M. Chatrath & Co.
Chartered Accountants,
D-26, SECTOR-3, NOIDA-201301 (U.P.)

Bankers : State Bank of India
Industrial Finance Branch
14th Floor, 1, Tolstoy Marg, Jawahar
Vyapar Bhawan, New Delhi

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

Corporate office : D-26, Sector-3, NOIDA – 201301 (U.P.)

Registrar & Share : Link Intime India Private Limited

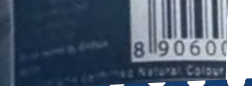
Transfer Agents : A-40, 2nd Floor, Naraina Industrial Area
Phase-II, Near Batra Banquet Hall, New Delhi-110028

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

Website : www.globusspirits.com

Table of contents

◆ About GSL	1
◆ Chairman's Note	2
◆ Financial Performance & trends	4
◆ Directors Report	5
◆ Corporate Governance Report	9
◆ CEO and CFO Certification	17
◆ Management Discussion Analysis	18
◆ Financial statements	24
◆ Notice to the AGM	42
◆ Proxy & Attendance Slip	



Our vision

To create & nurture alcobev brands of choice for progressive young Indians; and be a leading player in the emerging IMFL segment with > 10% segment share by 2012.

Our values

To achieve the vision with the following sets of values that will guide the GSL journey:

Innovation

We look for new ways of doing business and achieving results.

Underlying beliefs that support this objective:

GSL has a heritage of excellence and believes in adopting new methods of doing business

We explore new opportunities and un-chartered territories

Profitability

To achieve sufficient profit to finance our company growth, create value for our shareholders and provide for the resources that are required to achieve our other corporate objectives.

Underlying beliefs that support this objective:

Profit is the responsibility of all in GSL

Profit allows us to re-invest in emerging business opportunities

Profit enables the achievement of our other corporate objectives

Corporate Highlights

- ◆ Manufacture & Sale of IMFL, Industrial Alcohol & Country Liquor since 1993
- ◆ “Supplier of Choice” to National & International Brands for over a decade
- ◆ IDV (Diageo), Herbertsons (United Spirits Ltd.), Allied Blenders & Distilleries Pvt. Ltd. & Jagatjit Industries Ltd.
- ◆ Supplier of Bulk Spirits (ENA)
United Spirits Ltd., Allied Blenders & Distilleries Pvt. Ltd. & Jagatjit Industries Ltd, Seagram India (P) Ltd.
- ◆ Present in 6 States in North India and 3 States in South India.
- ◆ Combined installed capacity of 28.8 Million Litres p.a after expansion the capacity will be 70 million litres p.a.
Samalkha (Haryana)
Behror (Rajasthan)
- ◆ Net revenues increased by 36% to Rs. 3,864 million from Rs. 2,831 million
- ◆ Operating Profits up by 40% to Rs. 388 million from Rs. 277 million
- ◆ Profit After Tax increased by 124% to Rs. 289 million from Rs. 129 million
- ◆ EPS increased by 68% to Rs. 17.73 from Rs. 10.55
- ◆ Total networth increased from Rs. 598 million to Rs. 1,614 million augmented through IPO proceeds during the year and continued cash accruals
- ◆ The Company continues to remain virtually a debt free operation (total debt of Rs. 137.1 million as on 31.03.2010) providing enough space on the balance sheet for future growth



Chairman's Note

Dear Shareholders,

Our debut year on the bourses has come to a close on a positive note. We have come a long way since we started our first distillery operation in Samalkha (Haryana). With our listing in September this year was a similar landmark and in the future we hope to replicate our success on a much wider canvas. I am delighted to report that our revenues increased by 36% to Rs. 3,864 million, PAT has increased by 124% to Rs. 289 million and EPS grew by 68% to Rs. 17.73 compared to the last financial year. I believe our presence in the Alcoholic Beverage Sector will benefit greatly from consumption story of the Indian economy.

GSL has a unique business model in the sector which straddles across four segments. It covers a 360 degree presence across the sector right from the manufacture of bulk alcohol to marketing branded IMFL. This includes the entire spectrum from manufacturing, marketing and sale of CL, IMFL and industrial alcohol apart from taking up contract bottling to cater to renowned Brands of IMFL. It is our constant endeavor to extract synergies from these complementary businesses to enhance shareholder value.

Let me take you through each of our business lines separately.

In the country liquor segment we have a strong presence in Northern India, this segment has shown a robust volume growth of around 15%. This is contrast to the rest of the country where the growth in CL has almost been stagnant. GSL operates in the states of Delhi, Rajasthan & Haryana. The growth in this segment will be boosted by two factors, one the increase in excise quota by around 15% and the price hikes accorded by the State Excise departments in all the three states. We are also making an effort to distinguish ourselves from other players by taking up initiatives like offering country liquor as a branded prudent and introducing innovative marketing tool.

Moving on, we see the branded IMFL space as a key growth driver for the future. In the branded IMFL space we have a presence in nine states. Also on the anvil are two brand launches one in the regular whisky category along with a second launch in the semi premium category in the first and third quarter of this financial year respectively. It is a part of our strategy to come up with regular brand launches and create a distribution network using these lower price points. Once we have the distribution infrastructure in place we can then move to brands in the premium & super premium categories. We are also in the process of entering the CSD (Canteen Stores Department, the largest institutional buyer of alcoholic beverages) space. Driven by high disposable incomes, consumers upgrading from CL to branded IMFL & a young population the branded IMFL space will enjoy healthy growth in the years to come.

Bottling continues to remain a strategic business from the point of view of our 360 degree play. we have renewed our tie up with ABD for manufacturing of Officers Choice portfolio & Class Vodka for another 3 years after the agreement expired at the end of this financial year. We have also entered into a collaboration with Jagatjit Industries for the manufacture of Aristocrat and Bonnie Scot whiskies.



In the bulk alcohol segment GSL caters to elite clients like United Spirits & ABD India. We have revised our planned capacity increase from the earlier 48.6 million litres to 70 million litres at a minimal incremental cost of only Rs.8crores. This has been possible due to an excellent piece of value engineering by our operations team. The new capacity is expected to come on stream by end of Q2FY2011.

We expect to report continued operational and financial growth primarily driven by two key initiatives, one the launch of new brands in the IMFL segment as mentioned earlier and two almost 50% increase in capacities at limited capital investments. The contribution from these two initiatives will be visible from H3FY2010-11.

The spirits sector seems poised for interesting times going forward. I firmly believe that the sector is at a nascent stage and there is a huge potential for growth. We will continue making inroads in the branded IMFL space and are well equipped to take advantage of the opportunities coming our way.

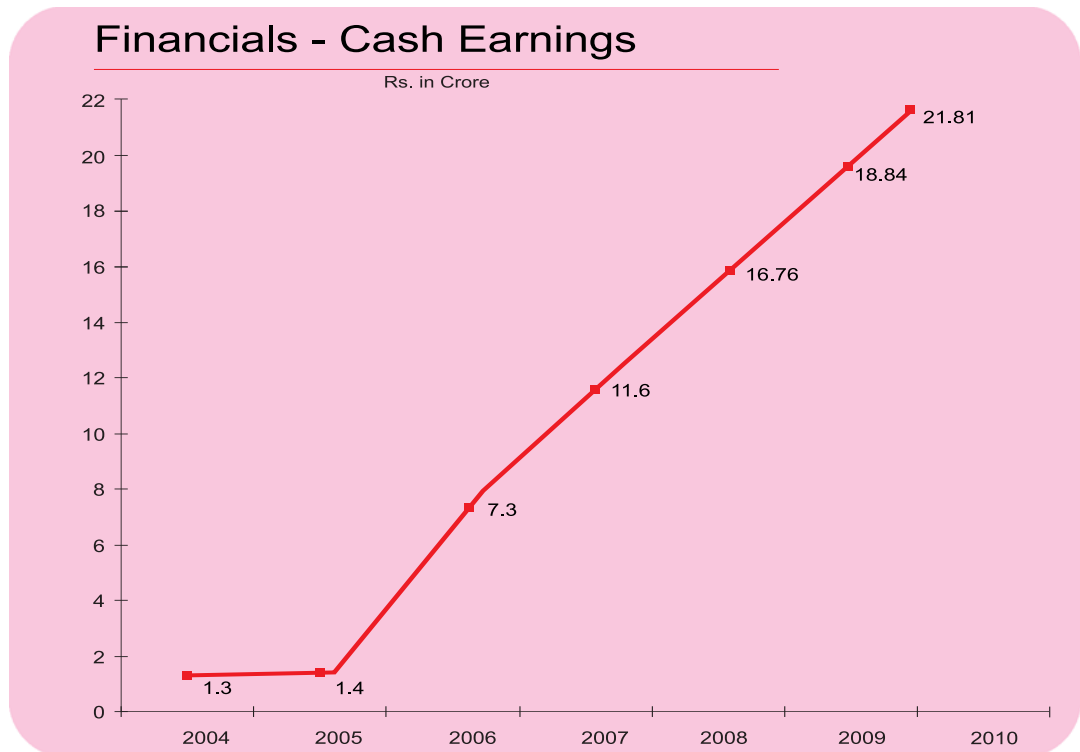
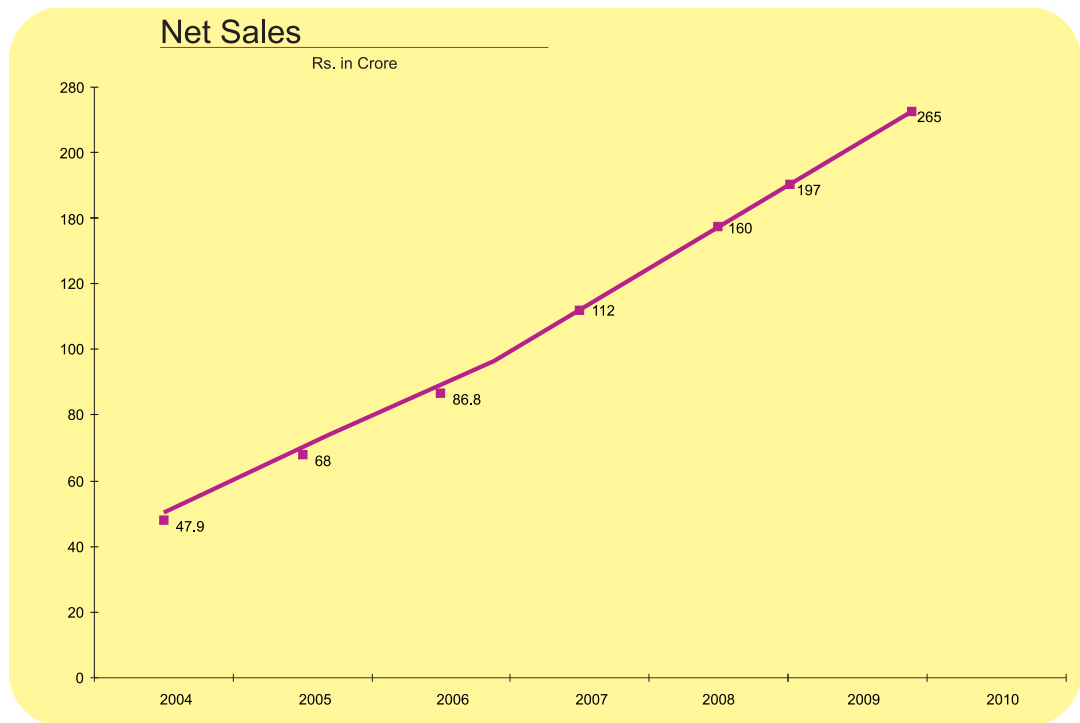
I take this opportunity to thank all our customers, suppliers, bankers, financial institutions and shareholders for their continued support and encouragement.

Place : New Delhi
Date : 30/07/2010

Sd/-
(Gautam Premnath Khandelwal)
Chairman



Financial Performance & Trends



DIRECTORS' REPORT

To the Members

Your Directors are pleased to present the Seventeenth Annual Report and Audited Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

	Current Year 2009-2010 (Rs. In Lacs)	Previous Year 2008-2009 (Rs. In Lacs)
Sales	38,428.82	28,140.17
Profit/(loss) before Depreciation	3,859.26	2,567.27
Less: Depreciation	437.86	573.48
Add: Depreciation Written Back	1,166.77	—
Profit/(Loss) after Depreciation	4,588.16	1,993.79
Profit/(Loss) before tax	4,588.16	1,993.79
Less: Provision for taxation	620.00	382.70
Fringe Benefit Tax	—	5.56
Deferred tax	1,076.23	312.38
Profit/ (Loss) after tax	2,891.93	1,293.15
Balance brought forward	3,583.32	2,290.17
Profit available for appropriation	6,475.25	3,583.32
Appropriations		
- Transfer to General Reserve	75.00	—
- Proposed Dividend	197.58	—
- Provision for Tax on Dividend	33.58	—
Balance Carried forward to Balance Sheet	6,169.09	3,583.32

PERFORMANCE REVIEW

During the year under review your company reported a good performance, reflected in an increase in PBT by Rs.25.94crores over the previous year and an increase in PAT by Rs.15.99crores over the previous year. The EPS of the company is Rs.17.73 as compared to Rs.10.55 of previous year. Your Directors have pleasure to inform that the Company's turnover has been increased by 36.56% from Rs.281.40Crores (Previous year) to Rs.384.29Crores (Current year).

THE YEAR IN PERSPECTIVE

PUBLIC ISSUE OF RS.75CRORES

During the year the company raised Rs.75crores vide its initial public issue of 75,00,000 equity shares of Rs.10/- each at a premium of Rs.90/- per share through 100% book building issue for financing its proposed expansion cum modernization & brand promotion projects.

LISTING OF SECURITIES

During the year the company's securities are listed with Bombay Stock Exchange & National Stock Exchange w.e.f. 23rd September 2009.

BUSINESS IN BULK SPIRIT SEGMENT

During the year the company has further strengthened its position as one of the major supplier of Bulk Spirits.

BUSINESS IN COUNTRY LIQUOR SEGMENT

During the year the company has reported satisfactory progress in country liquor segment in the state of Rajasthan, Haryana & Delhi.

BUSINESS IN IMFL SEGMENT

The company continues to work on creating a Distribution Network for its own brands. During the year the company's brands are being sold in the following states.

BUSINESS IN IMFL SEGMENT

The company continues to work on creating a Distribution Network for its own brands. During



the year the company's brands are being sold in the following states.

Name of the States	Name of Brands
Haryana	1) Samurai Whisky.
Rajasthan	2) Hannibal XXX Rum.
Uttar Pradesh	3) White Lace Gin & Vodka
Kerala	4) Le Mans VSOP Brandy
Andhra Pradesh	5) 20-20 Premium Whisky
Karnataka	6) Academy Deluxe XXX Rum
U.T.Chandigarh	7) Academy Deluxe Brandy
	8) Samurai XXX Rum
	9) Samurai Grape Brandy

OUTSOURCING ARRANGEMENTS / BOTTLING TIE-UPS

The company is also manufacturing & selling various products under the brand names such as "Officer's Choice", "Class Grain Vodka" etc. in the State of Rajasthan vide its manufacturing agreement with Allied Blenders & Distillers Private Limited. And in addition to it the company is also having various bottling tie-ups for marketing & selling of its own IMFL Brands in the state of U.P., Kerala, A.P. and Karnataka.

MATERIAL CHANGES AFTER 31/03/2010

- ◆ Commencement of bottling of various IMFL Brands of M/s Jagatjit Industries Ltd. at Samalkha for marketing & sale in the state of Haryana.
- ◆ Launching of a New IMFL Brand called "*County Club Whisky*" in the state of Haryana, U.P., U.T. of Chandigarh, Punjab & Himachal Pradesh
- ◆ Entering of two more northern states i.e. Punjab & Himachal Pradesh for marketing & selling of company's own IMFL products

DIVIDEND

Your Directors are pleased to recommend dividend of Re. 1/- i.e. 10 % per equity share of Rs. 10/- each of the Company for the year 2009- 2010.

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 Dr. Bhaskar Roy was inducted in the Board as an additional director w.e.f. 22nd October 2009 and is designated as Director-Finance of the company. Hence as per section 269 of the companies act, 1956 read with schedule XIII of the companies act the aforesaid appointment is proposed for the consent of members in the forthcoming Annual General Meeting.

During the year Mr. Deepak Roy have resigned from the directorship of the company w.e.f. 22nd October 2009.

Mr. Gautam Premnath Khandelwal, the Non-Executive & Independent Director & Mr. Rajesh Kumar Malik, Whole-time Director of the company who retires by rotation and being eligible offers themselves for re-appointment. The Board recommends their re-appointment.

During the year there being no other changes made 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 In years	Experience	Date of commencement of employment	Particulars of last employment
1	Mr. Ajay K. Swarup	48	Managing Director	37,62,000/- p.a. + other perquisites.	PGDBM (IIM, Kolkata)	26	December 01, 2006	M/s SVP Industries Ltd.

Further Mr. Ajay K. Swarup, the Managing Director of the company is not a relative of any Director or Manager of the company and he is also not holding any equity share in the company.

CONSERVATION OF ENERGY / TECHNOLOGY ABSORPTION / RESEARCH & PERSONNEL

During the year the company employed some senior and experienced employees in its management and the Company also maintained good relation 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 & forming part of the annual report.

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

1. In preparation of the Annual Accounts, the applicable Accounting Standards has 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 31st March, 2010 and of the Profit of the Company for the year ended 31st March, 2010.
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/-

Place: New Delhi
Date : 30/07/2010

(Dr. Bhaskar Roy)
Director (Finance)

Sd/-

(Ajay K. Swarup)
Managing Director



Annexure I to the Directors' Report 2009-10

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.

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

The company is already in the process of installing 25MT High Pressure Boiler with 3MW Back Pressure Turbine at both the distilleries, which would use Biogas and Biomass as fuel. This apart from helping to conserve fuel and energy, it will also be eligible for Carbon Credit.

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

-NIL

(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	2009-2010	2008-2009
Foreign Exchange earnings	NIL	NIL
Foreign Exchange used	NIL	NIL

For and on behalf of the Board of Directors

Place: New Delhi
Date : 30/07/2010

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

Sd/-
(Ajay K. Swarup)
Managing Director

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 Directors and Independent Professionals 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 31st March 2009, the Board consisted of 8 Directors including Chairman being Non-Executive & Independent Director, one Managing Director and two more Non-Executive & Independent Directors, the rest four 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 2009-10, 11(Eleven) Board Meetings were held on 02/04/2009, 17/06/2009, 01/08/2009, 24/08/09, 04/09/2009, 10/09/2009, 15/09/2009, 06/10/2009, 22/10/2009, 27/01/2010 and 20/03/2010.

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 31st March, 2010 are given below:

Directors	Category	Shares held		Attendance		No. of other Directorships and Committee Memberships/ Chairmanships held \$		
		Number	%	Board Meeting	Last AGM	Directorships	Committee Memberships	Committee Chairmanships
Shri Gautam Premnath Khandelwal	NE-I-C	33	0	0	No	3	3	2
Shri Ajay Kumar Swarup	MD-P	NIL		11	Yes	3	-	-
Shri Manik Lal Dutta	E	NIL		11	Yes	-	-	-
Dr. Bhaskar Roy+	E	100	0	3	N.A	-	-	-
Sh. Joginder Singh Dhamija	NE-I	NIL		4	No	-	-	-
Sh. Santosh Kumar Bishwal	NE-I	280	0.001	4	No	-	-	-
Sh. Rajesh Kumar Malik	WTD	490	0.002	11	Yes	-	-	-
Sh. Rameshwar Dayal Aggarwal	WTD	NIL		11	Yes	-	-	-
Sh. Deepak Roy#	NE-I	225000	1.138	0	No	-	-	-

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

+ Appointed as Additional Director and Executive Director, w.e.f. 22nd October, 2009.

Resigned as Director, w.e.f. 22nd October, 2009.

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.

No 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, 2010, all Board members and Senior Management Personnel have affirmed compliance with the code of Conduct for Directors and Senior Management respectively.

sd/-

Ajay Kumar Swarup
Managing Director

30th July 2010

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
Dr. Bhaskar Roy, (Executive Director)	Member

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

During the year under review 4 Audit Committee Meetings were held on 17th June, 2009, 1st August, 2009, 22nd October 2009 and 27th January, 2010. The composition of Audit Committee and attendance at its meeting is as follows:

Members	Designation	No. of Meetings attended
Shri Santosh Kumar Bishwal	Chairman	4
Shri Joginder Singh Dhamija	Member	4
Dr. Bhaskar Roy*	Member	2

* Dr. Bhaskar Roy was appointed as member w.e.f. 22nd October 2009.

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 ad hoc 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
Mr. Manik Lal Dutta	Member
Mr. Gautam Premnath Khandelwal	Member

During the year under review 2 Remuneration Committee Meetings were held on 1st August, 2009 and 22nd October 2009. The composition of Remuneration Committee and attendance at its meeting is as follows:

Members	Designation	No. of Meetings attended
Sh. Joginder Singh Dhamija	Chairman	2
Sh. Santosh Kumar Bishwal	Member	2
Mr. Manik Lal Dutta*	Member	1
Mr. Gautam Premnath Khandelwal	Member	0

* Mr. Manik Lal Dutta was appointed as member w.e.f. 22nd October 2009.

Details of Directors Remuneration:

The details of remuneration paid to the Directors during the financial year ended 31st March 2010 are as under:

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

Name	Total Amount (in Rs.)
Shri Ajay Kumar Swarup	37,62,000 (Plus other Perquisites)

The tenure of the appointment of Managing Director is for a period of 5 years w.e.f. 1st December 2006.

- 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.8,52,000/-
Shri Rajesh Kumar Malik (Whole Time Director)	Rs.4,77,538/-
Shri R.D.Aggarwal (Whole Time Director)	Rs.5,62,640/-
Dr. Bhaskar Roy (Director-Finance)	Rs.13,66,250/-

- 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	40000
Shri Santosh Kumar Bishwal	40000

None of the Non Executive Directors had any pecuniary relationship or transactions with the company during the year ended 31st March 2010 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
Mr. Santosh Kumar Bishwal	Chairman
Mr. Joginder Singh Dhamija	Member
Mr. R. D. Aggarwal	Member
Mr. Rajesh Kumar Malik	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. 2009 to 31.03.2010	14
Number of Complaints attended/resolved	14
Number of pending complaints as on 31.03.2010	NIL

6. GENERAL BODY MEETINGS

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

Financial year	Date	Location of the Meeting	Time
2006-07	29.09.2007	C-631, New Friends Colony, New Delhi-65	10.00 A.M.
2007-08	30.09.2008	C-631, New Friends Colony, New Delhi-65	10.00 A.M.
2008-09	27.08.2009	C-631, New Friends Colony, New Delhi-65	10.00 A.M.

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

- In the AGM held on 29.09.07: For allowing FII & NRI investment in the IPO of the company up to a limit of 49% of paid-up equity share capital of the company.
- In the AGM held on 30.09.2008: No special resolution was passed.
- In the AGM held on 27.08.2009: No special resolution was passed.

(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 : 9th September 2010 at 3.00P.M.
 Venue : Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-110003

b) Financial Year : 1st April 2009 to 31st March 2010

c) Book Closure : Saturday 4th September 2010 to Thursday 9th September 2010

d) Dividend : Re. 1/- per share (i.e. @ 10 %) for the year ended 31st March 2010, if approved by the members, would be payable on and from 10th September 2010 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 2009-10

Month	BSE Price (Rs.)		NSE Price (Rs.)	
	High	Low	High	Low
September, 2009	111.30	84.55	111.70	85.55
October, 2009	95.90	74.05	95.80	74.60
November, 2009	94.00	75.35	94.00	75.05
December, 2009	105.35	87.20	105.25	87.00
January, 2010	104.20	85.20	104.20	84.10
February, 2010	109.70	87.00	110.00	86.10
March, 2010	139.20	95.00	139.45	95.00

Distribution of shareholding as on 31st March 2010

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 2500	5162	72.73	446317	2.26
2501 to 5000	807	11.37	317834	1.61
5001 to 10000	514	7.24	436490	2.21
10001 to 20000	248	3.49	369123	1.87
20001 to 320000	130	1.83	318465	1.61
30001 to 40000	36	0.51	131318	0.67
40001 to 520000	69	0.97	321502	1.63
50001 to 100000	51	0.72	407767	2.06
100001 & above	80	1.14	17008925	86.08
GRAND TOTAL	7097	100.00	19757741	100.00

Shareholding Pattern as on 31st March, 2010:

CATEGORY	NO.OF SHARE HELD	% OF HOLDING
Promoter & Promoter Group	11817510	59.81
Financial Institutions, Mutual Funds, Banks, venture capital funds	2092831	10.59
Foreign Institutional Investors	641667	3.25
Bodies Corporate	1762702	8.92
Indian Public	3287834	16.64
NRIs / OCBs	155197	0.79
Grand Total	19757741	100

Dematerialization of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialized form. As on 31st March, 2010, 99.16% 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

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 of the committee is a Non Executive & Independent Director of the company.

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.

(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 30th July 2010 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 2010, 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:30/07/2010
Place: New Delhi

For B.M.Chatrath & Co.
Chartered Accountants
sd/-
Partner



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 evaluated 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, 2010.
- (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, 2010;
 - (ii) significant changes in accounting policies during the financial year ended 31st March, 2010 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.

Place: New Delhi
Date : 30/07/2010

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

Sd/-
(Ajay K. Swarup)
Managing Director



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

INDUSTRY OVERVIEW

The Indian alcohol industry is broadly divided into potable and industrial alcohol. The potable category is further divided into Country Liquor, IMFL & beer. Though CL segment has the largest market share, the IMFL segment has been on a high growth path and has recorded a growth of 17% CAGR over the last five year period.

India's per capita consumption of alcohol is one of the lowest in the world. So, even a small increase in per capita consumption could significantly alter industry growth, given the large population base. The environment for the alcohol industry continues to be buoyant fueled by the large and growing number of youth coming into the legal drinking age category. The young urban population has greater exposure to western media and has lower inhibitions about consuming alcoholic beverages.

The per capita income has also risen from \$450 in 2001 to \$1030 in 2010 growing at CAGR of 9.64%. Economic growth is leading to higher per capita income and the proportion of the "consuming class" is rising. This will propel the growth of the IMFL industry going forward.

The alcoholic beverage industry in India operates under a very complex regulatory environment which is the biggest challenge. There are restrictions on advertising, distribution infrastructure and retailing in addition to varied tax structures, controlled pricing and licensing which make operations more complex leading to higher costs, having said that, these factors also create entry barriers for new players.

Company Overview

Globus Spirits Limited is a leading player in the Alcohol business in North India, engaged in manufacturing, marketing, and sale of branded IMFL, Country Liquor and Bulk Alcohol comprising of Rectified Spirits and ENA, while also engaging in contract bottling to cater to renowned Indian Brand owners of IMFL. Over years, your Company has been able to establish its identity as a high quality liquor manufacturer and has its own brand portfolio in the Country Liquor and branded IMFL segments.

GSL operates two modern distilleries; one at Behror, Rajasthan and the other at Samalkha, Haryana. Both the distilleries have modern bottling facilities catering to its own production of Country Liquor and IMFL brands apart from having bottling tie-ups with various brand owners. These units are spread out in an area of around 17 acres each and have a combined capacity of 28.8 million bulk liters under expansion to 70.0 million bulk liters of alcohol on an annual basis. These state-of-the-art plants at both these locations are capable of distilling alcohol from grain or molasses. These units are currently operating at more than 100% capacity.

360° Product Offerings

GSL is the only spirits Company in India which has a strategic presence across all four segments. This unique business model enables a seamless integrated production process. It covers the 360 degree presence across the sector; right from manufacturing, marketing, and sale of country liquor, IMFL, industrial alcohol apart also from taking up contract bottling cater to renowned Indian branded players. The focus of your Company is to develop each line of business and extracting synergies with differentiated strategy for each one of them. The following table provides a brief summary of the Company's performance in different segments.

Product	Cases/BL* (Mn.)	Sales (Rs. Mn.)
Branded IMFL	0.26	271.3
Country Liquor	6.59	1,629.0
IMFL Franchisee	0.78	1,242.1
Bulk Alcohol	13.93*	509.4

Branded IMFL

The IMFL segment has been on an upward trajectory driven primarily by increasing disposable incomes, consumers upgrading from country liquor and a large young population. The volumes in this segment have grown at a CAGR of 17% in the last five years. Your Company is present in nine states. In the first half of FY2010-11, GSL expects to launch two



new brands; one in the 'regular' category and the other in the 'semi premium' category .The strategy is to create a distribution network and then move upwards to the premium price point using the distribution reach created with the regular new brands. Your Company is also in the process of registering its brand in Canteen Stores Department (CSD) brands in an anticipation to get a share of the sales in this market. CSD is the nodal purchase agency for the Indian Army and is the largest institutional buyer of alcoholic beverages. Over the coming years, GSL will try to establish a pan India presence and there would be a need for local production due to the inter-state tariffs and legislation. The plan is to execute franchisee bottling reciprocal arrangements for the same. Branded IMFL contributed 7.06% to the total revenue share in the year under review.

The following is the list of brands currently owned by your Company:



Country liquor

In terms of volume, country liquor is the largest segment in the domestic alcohol beverage industry. On a pan India basis, the overall growth in this segment has been fairly stagnant. However, the North Indian region has grown at a healthy rate of around 15%. Your Company has a strong foothold in the regions of Haryana, Rajasthan & Delhi and has been a major beneficiary of the robust growth in these regions. GSL has grown at higher rate than the industry average in all these states. CL is a regulated market with high entry barriers as it is mandatory to have a distillery in the area of operation (exception Delhi). The prices as well as the minimum sell quotas are also regulated by the government. The growth in this segment will be boosted by two factors, one the increase in the annual quota (guaranteed sale quantity mandated by state govt.) by around to 15% and the price hikes received in all the three states. Also, various marketing initiatives like using PET bottles, creating local brands/flavours in each territory have helped your Company to stay ahead of the market. Country liquor contributed 42.3% to the total revenue share of FY2010.

Franchise IMFL & Bulk Alcohol

Bottling operations for brand owners continue to be of strategic importance given GSL's endeavor to be an integrated alcohol manufacturer. Your Company is a manufacturer and bottler for IMFL brands (Officers Choice & Class Vodka) of Allied Blenders & Distillers (ABD) in the state of Rajasthan since FY08. The agreement has been renewed for a further 3 years after its expiration in March 2010. Your Company has also tied up with Jagatjit industries to manufacture and bottle its brands (Aristocrat & Bonnie Scot) in Haryana from FY11. The tie ups together are expected to generate a volume of approximately 2 million cases p.a. This business segment continues to hold promise given the way a number of pan India IMFL players have expanded without adequate bottling capacities.

In the bulk alcohol space, your Company caters to elite clients like United Spirits & ABD India. The further expansion of capacity from the planned 48.6 million BL to 70 million BL will help to cater to the increased demand for bulk alcohol. With the new technology of alcohol production,





it is possible to produce ENA without producing rectified spirit. This energy efficient process is called 'wash to ENA' and the redistribution losses are also minimal. The combined contribution from Franchise & Bulk Alcohol to the total revenue stood at 45.58%.

Environmental Compliance

Your Company is on its way of 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. The following are the steps we wish to undertake in the new expanded capacity.

Air Pollution

- a) Step forward to achieving zero discharge (explained below)
- b) Air Pollution control through installation of the relevant Control devices with ESPs
- c) 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.

- d) 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

- a) Achieved through the following steps

Proposed in Expansion

1. 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.

2. 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.

3. 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 disposed off as cattle feed.

4. Drying the same to powder

To improve on the quality of the Wet grain produced above the same would be dried and sold as dried cattle feed.

On the water side

1. All water re-circulated to process with or without treatment thus no discharge of any water stream
2. Surplus water used in make ups or in the boiler and cooling towers after treatment
3. Condensate from process reused in the boiler as boiler feed water
4. Condensate from evaporator reused in the process after treatment
5. All cooling water is through recirculation
6. 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

- a) Higher efficiencies of conversion

The expansion is being 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 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 centre and are looking at alternative markets in the cattle feed segment for its best disposal at the best price. Branding of the product is also being examined.

- 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 have launched 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.

Financial Review

Globus Spirits registered a healthy growth which is a testimony to a well-integrated production process, efficiency and various cost control and marketing initiatives undertaken during the year 2009-10. The Company achieved a growth of 36% in sales at Rs. 3,864 million compared to Rs. 2,831 million last year. The majority of expenditure i.e. the raw material & packaging cost formed about 46.5% of the total expenditure. EBIDTA was higher by 40% at Rs. 388 million and Profit after Tax achieved an impressive growth of 124% at Rs. 289 million compared to Rs. 129 million in 2008-09.

Strategic Initiatives and CAPEX

Your Company aims to build economies of scale and had originally planned to increase the existing capacity from 28.6 million BL to 48 million BL. The capacity was scheduled to come on stream by end of financial year 2009-10. However, due to an excellent piece of 'value engineering' by the operations team, the Company has been able to increase the capacities to 70 million BL at minimal incremental cost of Rs. 8 crore. The new capacities are expected to be operational by the start of Q3 FY2011.

Your Company did not undertake any M&A activity in this financial year. However, GSL is open to avenues of inorganic growth which can add value to the existing operations.

Balance Sheet perspective

Particulars	2009-10	2008-09
Gross Block	Rs.11,196.27lacs	Rs.8,656.54lacs
Net worth	Rs.16,137.97 Lacs	Rs.5,976.98lacs
Total Debt	Rs.1,370.94 lacs	Rs.1,730.69lacs
- LTD	Rs.940.23lacs	Rs.319.27lacs
- Working Capital	Rs.430.71lacs	Rs.1,411.42lacs
Cash & Cash Equivalents	Rs.2035.19lacs	Rs.238.90lacs

Key Ratios

Particulars	2009-10	2008-09
Debt-to-Equity	0.08	0.29
Net Sales-to-Enterprise Value*	1.03	N.A.
Asset Turnover	0.65	0.43
ROCE	24%	27%
ROE	18%	22%

*Enterprise Value as on 31st March 2010 has been considered.



Key Growth Drivers & Outlook

The new brand launches in the branded IMFL space will spearhead your Company's efforts to increase its presence in the IMFL space. GSL has earmarked sufficient funds for promotions and brand building activities.

The biggest component of expenditure is the raw material cost where prices are expected to soften in the coming year. The grain prices are expected to ease off considerably giving your Company a significant cost advantage compared to the use of molasses. Broken rice/bajra is the primary raw material. Rice stocks in the country are at the highest level and world prices of rice have significantly cooled down on the back of extremely good harvest in South East Asia. So, with the international position being comfortable, there are reduced exports of rice from India. The prices of the other two inputs, packing material & glass bottles have been relatively stagnant. These factors should help in increasing the overall margins.

The demand for Country Liquor is expected to ride the rural consumption wave and the price hikes will give a major leg up to this segment.

Bottling continues to remain a strategic pivot of the business spectrum given the thrust on increasing IMFL presence as well as further expansion of capacity. The reliance on third party players for the bottling operations will subside as the Company's IMFL business gathers steam.

The coming year will see the dual benefit of expanded capacities and new brand launches both of which will increase profitability.

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 **'Edmployable' [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 9,800 candidates and 5,200 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 25 centers located in UP, Punjab, Delhi, Haryana, Rajasthan and Bihar.

For more details, please visit – www.grasacademy.in

Risks Management –

The following describes major risk areas that may have a significant bearing on GSL's financial & operating position, cash flows etc. Your Company is aware of these problems and constantly reviews the measures to combat the same. The risks mentioned below represent risks that the Company believes are significant:

- ◆ Cost of raw material and other inputs



- ◆ Increase in competition from other players
- ◆ Over regulation by central & state governments
- ◆ Seasonality of the monsoons
- ◆ Change in supplier and distributor relationship
- ◆ Change of tax laws
- ◆ Labor Shortage

Your Company periodically reviews the risks and strives to develop appropriate risk mitigation measures for the same.

Internal Control Systems -

Your Company has an adequate system of internal controls 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 –

In the last few years, GSL has been engaged in developing human assets. The Human Resource department focuses on creating stakeholder value through superior organizational and people capability. The HR function is also the key process owner for induction and development of talent in the Company, articulating and guiding its people vision and its values. HR provides specialist services to the businesses in the areas of staffing, rewards and benefits, performance management, etc. HR also monitors and takes proactive steps to promote employee engagement through various activities and a value based work culture.

Disclaimer

Certain statements in this MD&A maybe 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 the domestic industry, significant changes in the political environment, changes in tax laws & excise duties, litigation & labor relations.



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 2010 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. The company has been charging depreciation on pro rata basis under written down value method at the rates prescribed in schedule XIV of the Companies Act till the FY 2008-09. From 1st April 2009, the management of the company has decided to change the method of charging depreciation to Straight line method as in its opinion it would result in more appropriate presentation of financial statements. The change of method has resulted in charging of excess depreciation of Rs. 11,66,76,618/- till the start of this FY and has been written back in the profit and loss account and profit for the financial year 2009-10 has been overstated by the same amount.
3. 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.
 - (v) On the basis of the written representation received from the directors as on 31/03/2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31/03/2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (vi) 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 2010;
 - (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 : 15th May, 2010

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 2010)

- 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 registered 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.1,50,00,000/- has been paid till date out of the total Income Tax provision of Rs.6,20,00,000/- for the year ending 31st March 2010 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 2010 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us no there are no dues of Sales Tax, Income Tax and Cess which have not been deposited on account of any dispute.
- x. The company does not have accumulated losses as at 31st March 2010. 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 the funds raised on short term basis have not been utilized for long term investment.
- 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 raised Rs.75crores through its initial public issue of 75,00,000 equity shares of Rs.10/- each issued at a premium of Rs.90/- per equity share for the purpose of expansion & modernization of its existing distilleries. And the said amount is being utilized for the aforesaid purpose.
- 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.

for **B.M. CHATRATH & CO.**
Chartered Accountants

Sd/-

UMESH C. PANDEY

PARTNER
M.No.55252

Place : New Delhi
Dated : 15th May, 2010

Globus Spirits Limited

BALANCE SHEET AS AT 31ST MARCH'2010

	Schedule	As at 31st March'2010	As at 31.03.2009
SOURCE OF FUNDS :			
Shareholders Funds :			
Share Capital	A	197,577,410	122,577,410
Reserve & Surplus	B	1,416,232,625	475,154,687
Total (i)		<u>1,613,810,035</u>	<u>597,732,097</u>
Loan Funds :			
Secured Loans (ii)	C	55,327,563	163,667,362
Unsecured Loans (iii)	D	81,765,976	9,402,105
Deferred tax liability		183,735,146	76,112,321
Total Funds employed (i + ii + iii)		<u>1,934,638,720</u>	<u>846,913,885</u>
APPLICATION OF FUNDS :			
Fixed Assets :			
Gross Block	E	1,119,626,922	865,653,861
Less : Depreciation		225,956,958	302,345,589
Net Block		<u>893,669,964</u>	<u>563,308,272</u>
Capital Work in Progress		469,207,128	3,956,777
Investments	F	259,253	259,253
Current Assets, Loans & Advances			
Interest accrued but not due	G	2,364,113	1,105,513
Inventory		271,907,100	233,255,457
Sundry Debtors		279,843,623	258,432,418
Cash & Bank Balances		203,519,695	23,889,653
Loans & Advances		371,624,404	126,653,940
Deffered Revenue- Brand Promotion Exps		3,534,832	5,302,248
Total		<u>1,132,793,767</u>	<u>648,639,229</u>
Less : Current Liabilities & Provisions	H		
Liabilities		561,304,922	369,283,712
Net Current Assets		<u>571,488,845</u>	<u>279,355,517</u>
Miscellaneous Expenditure	I	13,530	34,066
(To the extent not written off or adjusted)			
Total (i) + (ii) + (iii) + (iv)		<u>1,934,638,720</u>	<u>846,913,885</u>

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 : 15th May, 2010

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

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



Globus Spirits Limited

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2010

	Schedule	For the Year ended 31st March'2010	For the Year ended 31st March'2009
INCOME			
Sales		3,842,881,719	2,814,017,225
Other Income	J	33,051,487	26,611,684
Increase / (Decrease) in Stock		17,374,905	21,598,585
Total Income		<u>3,893,308,111</u>	<u>2,862,227,494</u>
EXPENDITURE			
Raw & Packing Material Consumed	L	1,637,588,909	1,263,337,260
Manufacturing Expenses	M	416,197,498	309,111,877
Excise Duty Paid		1,192,879,362	835,692,405
Employees Remuneration & Benefits	N	44,934,868	31,045,826
Administration & Other Expenses	O	30,528,470	21,475,981
Financial Expenses	P	14,233,070	29,621,561
Selling & Distribution Expenses	Q	169,232,178	113,427,288
Deferred Revenue- Brand Promotion W/Off		1,767,416	1,767,416
Perliminary Exp. Written-off		20,535	20,535
Total Expenditure		<u>3,507,382,305</u>	<u>2,605,500,149</u>
Profit/ (Loss) before depreciation & prior period & extra ordinary expenses		<u>385,925,806</u>	<u>256,727,344</u>
Less: Depreciation during the year		43,786,092	57,348,289
		<u>342,139,714</u>	<u>199,379,055</u>
Add: Depreciation Written Back		116,676,618	-
		<u>458,816,332</u>	
Profit before Tax			
Less: Provision for taxation			
Current Tax		62,000,000	38,270,369
Deferred tax		107,622,825	31,237,704
Fringe Benefit Tax		-	556,068
Profit after Tax		<u>289,193,507</u>	<u>129,314,914</u>
Add: Profit Brought Forward		358,331,822	229,016,908
Profit Available For Appropriation		<u>647,525,329</u>	<u>358,331,822</u>
Proposed Dividend on Equity Shares @ 10%		19,757,741	---
Provision of Tax on Dividend		3,357,828	---
Transfer To General Reserve		7,500,000	---
Balance Carried to Balance Sheet		<u>616,909,760</u>	<u>358,331,822</u>

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 : 15th May, 2010

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

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

Globus Spirits Ltd

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

Description	As at 31.03.2010	As at 31st March'09
Schedule 'A'		
SHARE CAPITAL		
Authorised :		
2,50,00,000 Equity Shares of Rs. 10 each	<u>250,000,000</u>	<u>250,000,000</u>
Issued, Subscribed & Paid up:		
19757741 Equity Shares of Rs 10 each, fully paid-up	197,577,410	122,577,410
(Out of the above 1,13,67,510 shares are	-	-
held by Chandbagh Investments Ltd, the Holding Company.)	<u>197,577,410</u>	<u>122,577,410</u>
Schedule 'B'		
RESERVE & SURPLUS		
General Reserve		
Opening Balance	36,322,865	36,322,865
Security Premium Account	755,500,000	80,500,000
Transferred from Profit & Loss Appropriation Account	7,500,000	-
	-	-
	<u>799,322,865</u>	<u>116,822,865</u>
Surplus/ (Deficit)		
Transferred to/ from Profit & Loss Appropriation Account	616,909,760	358,331,822
Total	<u>1,416,232,625</u>	<u>475,154,687</u>
Schedule 'C'		
SECURED LOANS		
SBI-CC Limit (Book Debts)	43,070,880	141,142,182
SBI TERM LOAN	9,997,829	19,312,920
(Secured by hypothecation of entire current assets and moveable assets of the Company and equitable mortgage over land & building	-	-
From ICICI Ltd / ABN AMRO Auto Finance	2,258,854	3,212,260
(Secured by hypothecation of the vehicles)	-	-
Total	<u>55,327,563</u>	<u>163,667,362</u>
Schedule 'D'		
UNSECURED LOANS		
Inter Corporate Deposits (Interest Free)	1,765,976	1,738,476
From Global Trade Finance Ltd	-	3,832,115
ABN Amro Bank	-	3,831,514
Axis Bank	80,000,000	-
	<u>81,765,976</u>	<u>9,402,105</u>



Globus Spirits Ltd

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH,2010

GLOBUS SPIRITS LIMITED (FORMERLY GLOBUS AGRONICS LIMITED)

Fixed Assets as at 31st March, 2010

Depreciation as per Written Down Value method in accordance with Schedule XIV of Companies Act, 1956

Particulars	GROSS BLOCK			DEPRECIATION			NET BALANCES AS ON			
	As on 01/04/2009	Additions	Sale/ Disposal	As on 31/03/2010	Upto 01/04/2009	During the Year	Sale/ Disposal	Upto 31/03/2010	31/03/2010	31/03/2009
Land	13,697,583	-	-	13,697,583	-	-	-	-	13,697,583	13,697,583
Factory Building	166,214,336	5,885,996	-	172,100,332	21,108,911	5,632,716	-	26,741,627	145,358,705	145,105,425
Plant & Machinery	576,050,505	230,569,337	-	806,619,842	145,772,551	32,111,148	-	177,883,699	628,736,143	430,277,954
Electric Fitting	5,061,507	2,342,499	-	7,404,006	3,510,194	305,742	-	3,815,936	3,588,070	1,551,313
Vehicles	27,304,191	1,093,111	4,519,734	23,877,568	9,726,748	2,470,238	3,498,106	8,698,880	15,178,688	17,577,443
Furniture	6,087,429	1,079,290	-	7,166,719	1,482,938	410,594	-	1,893,532	5,273,187	4,604,491
Office Equipments	3,069,376	345,561	-	3,414,937	909,657	155,042	-	1,064,699	2,350,238	2,159,719
Wireless System	159,052	-	-	159,052	152,217	-	-	152,217	6,835	6,835
Tools & Equipments	10,993	-	-	10,993	10,610	-	-	10,610	383	383
Computer	2,783,903	497,300	-	3,281,203	1,555,360	399,066	-	1,954,426	1,326,777	1,228,543
Tractors	1,476,564	-	-	1,476,564	791,158	103,826	-	894,984	581,580	685,405
Intangible-Knowhow & New Brand Development	63,738,422	16,679,701	-	80,418,123	648,627	2,197,720	-	2,846,347	77,571,776	63,089,795
TOTAL	865,653,861	258,492,795	4,519,734	1,119,626,922	185,668,971	43,786,092	3,498,106	225,956,958	893,669,965	679,984,890
Previous Year	606,679,046	258,974,815	-	865,653,861	244,997,300	57,348,289	-	302,345,588	563,308,273	361,681,746
Capital work in progress	3,956,777	-	-	469,207,128	-	-	-	-	-	-

**As at
31st March'2010**

**As at
31st March'09**

Schedule 'F'

INVESTMENTS (Current)

Quoted In Shares	No of Shares		
(Face Value Rs.10/- each)			
Burroughs Welcome (India) Ltd	100	18,265	18,265
(Previous Year - 100 shares)		-	
Unquoted Shares		-	
Biotech India Ltd.	22,430	224,300	224,300
In Units of Mutual Funds	No. of Units		
(Face Value Rs.10/- each)		-	
Kothari Pioneer FMCG Fund- Dividend Payout	1,229.746	16,688	
(Previous year 1229.746 units)		-	
		-	16,688
		259,253	259,253
Less: Provision for diminution in value of Investments		-	-
Total		259,253	259,253

Globus Spirits Ltd

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH,2010

	As at 31st March'10	As at 31st March'09
Schedule 'G'		
CURRENT ASSETS, LOANS & ADVANCES :		
Current Assets :		
Interest accrued but not due	<u>2,364,113</u>	<u>1,105,513</u>
Inventories :		
(Physical Inventory taken, verified, valued & certified by the Management)		
Raw Material (valued at average cost)	93,208,484	78,387,299
Packing Material (valued at average cost)	54,615,823	56,427,398
Fuel ,Stores & Spares(valued at cost)	23,919,620	14,797,965
Finished Goods (valued at cost or market price whichever is lower)	99,638,268	82,263,362
Material in transit	-	-
	<u>524,905</u>	<u>1,379,434</u>
	<u>271,907,100</u>	<u>233,255,458</u>
Sundry Debtors : Unsecured considered good		
Debts outstanding for a period exceeding six months	6,974,329	9,146,694
Doubtful Debtors	2,504,008	537,256
Other Debts	<u>270,365,286</u>	<u>248,748,468</u>
	<u>279,843,623</u>	<u>258,432,418</u>
Cash & Bank Balances :		
Cash in hand	4,320,088	502,998
Imprest with staff	802,724	1,283,517
Balance with Scheduled Banks in :		
Current Accounts	33,179,634	20,506,500
Fixed Deposit	1,740,000	1,430,000
Cheques in Hand / Transit	330,893	166,638
Liquid Funds-Reliance Money manager	<u>163,146,356</u>	<u>-</u>
Total	<u>203,519,695</u>	<u>23,889,653</u>
LOANS & ADVANCES :		
Loans :		
(Considered good) (Interest free)		
To staff	1,006,011	252,144
Advances (unsecured) (Considered good)	26,486,666	25,538,943
Advances recoverable in cash as TDS or for value to be received :	2,430,869	1,220,233
Advances for Capital Goods	199,231,842	15,773,666
Advance to Suppliers & others	52,177,487	27,630,858
Duty & Taxes	25,164,501	4,564,532
Security Deposit	44,653,501	32,889,175
Pre-paid Expenses	16,773,586	16,383,229
Sales Tax Deposited (Under Protest)	2,299,941	1,001,160
Advance Fee For Punjab Licence	1,400,000	1,400,000
Total	<u>371,624,404</u>	<u>126,653,940</u>
Deffered Revenue- Brand Promotion :		
Opening Balance	5,302,248	7,069,664
Add During the year	-	-
Less: Written Off	<u>1,767,416</u>	<u>1,767,416</u>
Total	<u>3,534,832</u>	<u>5,302,248</u>



Globus Spirits Ltd

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH,2010

	As at 31st March'10	As at 31st March'09
Schedule 'H'		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities :		
Sundry Creditors	276,185,772	264,223,032
Creditors for Capital goods	125,740,301	9,817,769
Advances from customers	18,137,208	7,352,774
Other Liabilities	<u>141,241,641</u>	<u>87,890,137</u>
Total	<u>561,304,922</u>	<u>369,283,712</u>
Schedule 'I'		
MISCELLANEOUS EXPENDITURE		
(To the extent not written-off or adjusted)		
Preliminary Expenses & Pre-operative expenses		
Balance as per last year	34,065	54,601
Less : Amortized during the year	<u>20,535</u>	<u>20,535</u>
	<u>13,530</u>	<u>34,066</u>
Schedule 'J'		
OTHER INCOME		
Profit on Investments	6,646,937	-
Other Operating Income	20,773,831	17,343,045
Interest Received	4,811,951	2,029,150
Profit on sale of Fixed Assets	693,372	-
Miscellaneous Income	<u>125,396</u>	<u>7,239,489</u>
	<u>33,051,487</u>	<u>26,611,684</u>
Schedule 'K'		
INCREASE / (DECREASE) IN STOCK		
Closing Stock	99,638,268	82,263,362
Less: Opening Stock	<u>82,263,363</u>	<u>60,664,777</u>
	<u>17,374,905</u>	<u>21,598,585</u>
Schedule 'L'		
RAW MATERIAL & PACKING MATERIAL CONSUMED		
1 Raw Material		
Opening Stock	78,387,299	51,939,207
Add : Purchases	<u>1,068,425,404</u>	<u>860,029,308</u>
	<u>1,146,812,703</u>	<u>911,968,515</u>
Less: Closing Stock	<u>93,208,484</u>	<u>78,387,299</u>
Raw Material Consumed	<u>1,053,604,219</u>	<u>833,581,216</u>
2. Packing Material		
Opening Stock of Packing Material	56,427,398	23,599,748
Add : Purchases of Packing Material	<u>582,173,115</u>	<u>462,583,694</u>
	<u>638,600,513</u>	<u>486,183,442</u>
Less : Closing Stock	<u>54,615,823</u>	<u>56,427,398</u>
Packing Material Consumed	<u>583,984,690</u>	<u>429,756,044</u>
Total of 1&2	<u>1,637,588,909</u>	<u>1,263,337,260</u>

Globus Spirits Ltd

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH,2010

	As at 31st March'10	As at 31st March'09
Schedule 'M'		
MANUFACTURING EXPENSES		
Opening Stock Power & Fuel	14,797,965	17,195,668
Add : Purchases	177,233,292	117,286,568
	<u>192,031,257</u>	<u>134,482,236</u>
Less: Closing Stock	23,919,620	14,797,965
Power and Fuel Consumed	168,111,637	119,684,271
Chemicals & Stores	42,760,076	34,048,174
Repairs: Plant & Machinery & Building	6,199,018	2,325,485
Licence Fees	17,825,050	13,157,367
Security Expenses	1,500,304	1,351,295
Conversion Charges	39,060,760	21,560,727
Bottling Expenses/Fees	118,411,757	93,458,787
Land Lease	1,616,370	2,576,725
Inspection, Testing & Sampling	479,373	248,420
Effluent Disposal	3,063,320	2,918,339
Flour feeding charges/ Pet Coke Feeding	2,969,480	2,304,857
Turnover Tax/ Permit Fee Etc.	5,687,817	7,034,946
Freight & Cartage	6,983,435	7,536,282
Service Tax on Transportation/TOT	1,529,101	906,202
Total	416,197,498	309,111,877
Schedule 'N'		
EMPLOYEES REMUNERATION & BENEFITS		
Salary & Wages	41,484,173	28,020,208
PF Contribution	1,468,852	1,315,108
Provision for Leave Encashment	51,860	78,637
Provision for Gratuity	511,820	508,378
Staff Tea & Food Expenses	1,418,163	1,123,495
Total	44,934,868	31,045,826
Schedule 'O'		
ADMINISTRATIVE & OTHER EXPENSES		
Legal, Professional & Consultancy	2,030,008	1,278,563
Printing & Stationery	896,368	971,217
Postage & Telephone	2,350,929	1,775,393
Travelling Expenses	5,887,636	3,796,030
Subscription, Books & Periodicals	553,462	547,121
Wealth Tax	84,566	91,843



Globus Spirits Ltd

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH,2010

	As at 31st March'10	As at 31st March'09
Electricity Expenses	537,086	293,522
Rent	3,504,708	882,235
Repair & Maintenance - Others	5,082,407	5,952,986
Insurance	3,046,928	1,528,394
Advertisement	631,407	217,403
Rates & Taxes	388,502	424,099
Incom Tax, FBT & Interest on FBT Paid	-	117,760
Audit Fee	300,000	125,000
Recruitment & Training	211,191	87,780
Vehicle Repair & Maintenance	1,697,572	1,116,277
Conveyance	480,084	603,428
Director's Sitting Fee	86,435	
sports expenses	78,827	11,500
Miscellaneous Expenses	1,919,427	1,213,028
Donation	760,927	442,402
Total	30,528,470	21,475,981
 Schedule 'P'		
FINANCIAL EXPENSES :		
Interest	13,091,343	27,724,482
Bank Charges	1,141,727	1,897,079
Total	14,233,070	29,621,561
 Schedule 'Q'		
SELLING & DISTRIBUTION EXPENSES :		
Discount, Claims & Rebates	21,141,568	9,580,937
Royalty to BDA	64,767,717	41,128,970
Carriage & Freight outward	53,701,947	42,104,603
Excise Establishment & Supervision/Export fee	4,428,998	3,173,831
Sales Promotion Expenses	4,617,264	2,077,426
Sales Incentive	1,290,777	479,194
Delhi Godown Expenses	11,512,375	8,864,504
Marketing Expenses/Commission	7,771,532	6,017,823
Total	169,232,178	113,427,288

Globus Spirits Limited

NOTES FORMING PART OF BALANCE SHEET FOR THE YEAR ENDED ON 31ST MARCH 2010.

A. SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with the relevant provisions of the Companies Act 1956 and comply the Accounting standards specified to be mandatory by the Institute of Chartered Accountants of India.

2. 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.

3. DEPRECIATION

- a) The company has been charging depreciation on pro rata basis under written down value method at the rates prescribed in schedule XIV of the Companies Act till the FY 2008-09.
- b) From 1st April 2009, the company has decided to change the method of charging depreciation to Straight line method as in its opinion it would result in more appropriate presentation of financial statements.
- c) The change of method has resulted in charging of excess depreciation of Rs.11,66,76,618/- till the start of this FY and has been written back in the profit and loss account.

4. INVENTORY

The basis of determining the cost of the various categories of inventories is as follows

Stores, Spares, & Fuel	: Average cost
Raw material & Packing material	: Average cost
Finished Goods	: Valued at cost or market price which ever is less.

5. 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.

6. 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.

7. RETIREMENT BENEFITS

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 up to 31st March, 2010 amounting to Rs.21,06,872/-.

8. 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 weighted average 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.



Globus Spirits Limited

9. Impairment of assets

At each balance sheet an assessment is made whether any indication exists that an asset has been impaired. If any such indication exists, an impairment loss the amount by which the carrying amount is excess against Recoverable amount is provided in the books of accounts.

B. NOTES TO ACCOUNTS

1. 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
2. Balances of Debtor & creditors and Advances to and from parties are subject to Reconciliation & Confirmation
3. The amount falling due within one year in respect of secured loans is Rs.4,86,00,000/-.
4. The profit & loss account and Balance sheet comply with accounting standards referred to in section 211(3C) of the Companies Act 1956.
5. Accounting Standard (AS) -17 "Segment Reporting" is not applicable in case of company because company is involved in only one type of product Industrial & Potable Alcohol.
6. There is no amount due to small-scale industries over Rs.1 lac shown under the head "sundry Creditors"
7. "Deferred revenue- Brand Promotion Expenses" appearing in Schedule G in the Balance Sheet are the expenditure incurred on promoting company's new IMFL brands already launched during the year 2007 and which will give perpetual benefit to the company and thus it is shown under the head Deferred revenue-Brand Promotion Expenses, which is being written off in five years.
8. During the year the company has raised Rs.75 crores through the initial public issue of 75,00,000 equity shares of Rs.10/- each at a premium of Rs.90/- per equity share for the purpose of expansion of capacity & modernization of existing distilleries. The expenditure incurred towards IPO to the tune of Rs.12,57,83,784/- is being shown under the head Capital work-in-progress & it will be capitalized as & when the upcoming project will be completed.
9. In accordance with the Accounting Standards (AS-18) on Related Party Disclosures, where control exists and where key management personnel are able to exercise significant influence and, where transactions have taken place during the year, along-with description of relationships identified, are given below :-

A. Relationships

- I. Subsidiary Company NIL
- II. Joint Venture/Joint Control Associates NIL
- III. Key Management Personnel

Name	Designation
------	-------------

Sh. Ajay K. Swarup	Managing Director
--------------------	-------------------

- IV. Associates

M/s Chandbagh Investments Limited (Holding Company) (no transaction has been entered into during the period)

M/s Associated Distilleries Ltd. (ADL)

M/s Rambagh Estates Private Limited.

B. The following transactions were carried out with related parties in the ordinary course of business :-

	(Rs. in Lacs)	
Related Party Transactions	Key management Personnel	Associates
Salaries & Other Allowances	37.62	-----
Purchase of Raw Material, Goods from ADL	-----	326.91
Sale of Goods to ADL	-----	100.15

Globus Spirits Limited

Other Adjustments	-----	140.00
with Associated Distilleries Ltd.		
Lease Rental Transactions	-----	23.62
with Rambagh Estates Pvt. Ltd.		
Amount Recoverable outstanding	-----	340.47
at the year end from ADL		

10. Taxation

- Current tax is the provision made as per the normal income tax rate.
- 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 are recognized on unabsorbed depreciation to the extent there is virtual certainty supported by convincing evidence & on others to extent that there is reasonable certainty of their realization
- Deferred tax assets & liabilities are measured using the tax rates & the laws that have been enacted or substantially enacted at the balance sheet date.

Calculation of Deferred Tax Liability

Closing WDV as per Co. Act	89,36,69,965/-
Closing WDV as per I.T. Act	35,31,13,490/-
Difference	54,05,56,475/-
Tax on above	18,37,35,146/-
Less: Opening Deferred Tax Liability	7,61,12,321/-
Current Year Deferred Tax Liability	10,76,22,825/-

- 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.
- Insurance claims which are of not significant value are accounted for on receipt basis.
- Previous years figures has been regrouped, rearranged & reworked wherever necessary to make them comparable with the current year figures.
- Figures has been rounded off to the nearest rupee.
- Other information pursuant to para 3 to 4D of part -II of schedule VI of the Companies Act 1956 has not been furnished as the same is not applicable.

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 : 15th May, 2010

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

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



Globus Spirits Limited

16 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)	28,800,000	BL Per Annum
Installed Capacity (Rectified Spirit)	28,800,000	BL Per Annum

B Quantitative Details

	Current Year 2009-10			Previous Year 2008-09		
	Quantity		Value(Rs.)	Quantity		Value(Rs.)
a) Production						
Industrial Alcohol (Beh)	15,695,33	BL		13,733,785	BL	
Industrial Alcohol (Sam)	23,503,293	PL		15,659,038	PL	
ENA	5,736,582	BL		4,987,791	BL	
Country Liquor (Sam)	18,133,313	PL		13,359,209	PL	
Country Liquor(Beh)	2,518,971	Cases		1,998,238	Cases	
IMFL (Beh)	817,198	Cases		670,321	Cases	
IMFL (Sam)	378,474	PL		299,999	PL	
IMFL-Other Units	148,509	Cases		264,004	Cases	
b) Opening Stock						
Finished Goods						
Industrial Alcohol (Beh)	733,442	BL	20,722,215	620,147	BL	16,520,022
Industrial Alcohol (Sam)	1,043,532	PL	18,458,293	1,606,216	PL	22,337,409
ENA	218,150	BL	6,817,925	124,940	BL	3,640,612
C/L Blend (Behror)	174,722	BL	1,893,855	173,986	BL	1,773,380
IMFL Blend UP	20,073	BL	730,653	33,880	BL	381,780
CL Stock - Delhi Godown	647	Cases	93,991	40,064	Cases	5,168,256
CL-Blending Stock- Sam.	405,332	PL	7,304,060	402,719	PL	5,793,902
IMFL-Blend-Behror	8,508	BL	121,293			
IMFL-Malt Blend-Behror	1,729	BL	208,206			
IMFL-Blend-Sam.	77,646	PL	1,616,821			
CL-Bottled Stock -Behror	14,909	Cases	2,968,702	10,013	Cases	1,998,145
CL-Bottled Stock-Samalkha	202,433	PL	6,103,273	37,647	PL	998,794
IMFL-Bottled -Other Units	30,268	Cases	12,368,543	6,646	Cases	1,862,966
IMFL-Bottled-Behror	2,121	Cases	595,213	661	Cases	187,111
IMFL-Bottled-Samalkha	68,520	PL	2,257,919			
RTD Bottle Stock	5	Cases	2,400	5	Cases	2,400
Total			<u>82,263,362</u>			<u>60,664,777</u>
Raw Material						
Molasses Behror	1,331	QTL	602,643	1,331	QTL	602,643
Molasses (Samalkha)	4,846	QTL	2,713,692	47,850	QTL	23,159,307
Bajra/ Rice Flour (Behror)	34,071	QTL	27,655,448	33,074	QTL	24,354,068
Bajra/ Rice Flour (Samalkha)	36,519	QTL	33,584,774	708	QTL	543,088
Raw Material (Others)-Beh.			4,534,484			
Raw Material (Others)-Sam.			1,953,882	-		3,220,586
Raw Material (Others-Units)			7,282,861			
Total			<u>78,327,784</u>			<u>51,879,692</u>
c) Closing Stock						
Raw Material						
Molasses (Behror)	1331.4	QTL	602643	1,331	QTL	602,643
Molasses (Samalkha)	0	QTL	0	4,846	QTL	2,713,692
Bajra/ Rice Flour (Behror)	36332.86	QTL	37663989	34,071	QTL	27,655,448
Bajra/ Rice Flour (Samalkha)	40096.3	QTL	40901746	36,519	QTL	33,584,774
Raw Material (Others)-Beh.			1431989			4,534,484
Raw Material (Others)-Sam.			2693190			1,953,882
Raw Material (Others-Units)			9914927			7,282,861
Total			<u>93,208,484</u>			<u>78,327,784</u>
BLEND						
CL-Blending Stock- Sam.	99,356	PL	2,042,658	405,332	PL	7,304,060
C/L Blend (Behror)	226,896	BL	2,696,736	174,722	BL	1,893,855
IMFL-Blend-Behror	881	BL	12,879	8,508	BL	121,293
IMFL-Malt Blend-Behror	1,729	BL	208,206	1,729	BL	208,206
IMFL-Blend-Sam.	45,145	PL	1,076,364	77,646	PL	1,616,821
IMFL Blend UP	-	BL	624,164	20,073	BL	730,653

Globus Spirits Limited

Finished Goods

Industrial Alcohol (Beh)&Othrs.	1,119,056	BL	35,383,653	733,442	BL	20,722,215
Industrial Alcohol (Sam)	943,859	PL	19,125,003	1,043,532	PL	18,458,293
ENA	224,475	BL	7,546,669	218,150	BL	6,817,925
CL-Bottled Stock (Sam)	146,804	PL	4,890,448	202,433	PL	6,103,273
CL-Bottled at Behror	26,581	Cases	5,955,982	14,909	Cases	2,968,702
IMFL-Bottled -Other Units	16,075	Cases	9,251,746	30,268	Cases	12,368,543
CL Stock - Delhi Godown	45,760	Cases	8,290,797	647	Cases	93,991
IMFL-Bottled-Samalkha	40,312	PL	1,958,632	68,520	PL	2,257,919
IMFL-Bottled-Behror	2,385	Cases	574,332	2,121	Cases	595,213
RTD Bottle Stock	-	Cases	-	5	Cases	2,400
Total			99,638,269			82,263,362
d) Sales						
Industrial Alcohol (Beh)	1854000	BL	47,009,460	2,594,400	BL	87,620,155
Industrial Alcohol (Sam)	11,930,918	PL	266,298,500	10,868,473	PL	238,791,735
ENA	4,932,146	BL	196,105,078	4,404,794	BL	142,028,998
Bottled-IMFL -Sam.	406,682	PL	47,106,719	231,479	PL	14,269,168
Bottled - IMFL- Beh.	817303	Cases	1,304,492,877	667,725	Cases	1,087,674,803
Bottled-IMFL -Other Units	157295	Cases	161,782,073	240,382	Cases	114,796,498
Bottled- Country Liquor(Sam)	12840525	PL	759,716,436	7,778,250	PL	355,763,930
Delhi-Country Liquor	1187000	Cases	208,152,024	1,201,200	Cases	186,755,901
C/L-Bottled Behror	2507299	Cases	661,115,443	1,993,342	Cases	482,631,478
Sale -Spent Grain			69,972,234			52,903,365
Organic Mannure			48,597,255			47,249,905
Sales (others)			72,533,620			3,531,289
Total			3,842,881,719			2,814,017,225
e) Raw Material consumed						
Molasses-Behror	0	QTL	-	-	QTL	-
Molasses-Samalkha	4845.6	QTL	2,713,692	170,186	QTL	95,309,588
Bajra/ Rice Flour- Samalkha	362697.03	QTL	369,982,810	121,465	QTL	111,705,072
Bajra/ Rice Flour-Behror	379178.45	QTL	393,070,433	338,977	QTL	275,144,561
Rectified Spirit (CL) (Beh)	-	BL	-	96,000	BL	3,663,202
Rectified Spirit -otr-Units	19,534,024			36181750		
Rectified Spirit (Sam)	6,889,491	PL	151,333,239	8,694,444	PL	174,201,627
Rectified Spirit (IMFL)BDA	2756146	BL	104,987,745	2,540,794	BL	94,107,166
Rectified Spirit (IMFL)UP		BL	-	57,374	BL	1,806,957
Raw Material Others			11,982,276			41,461,293
Total			1,053,604,219			833,581,216



CASH FLOW STATEMENT AS ON 31-03-2010

PARTICULARS	Amount (in Rs.)
(A) CASH FLOW FROM OPERATING ACTIVITIES:	
Net Profit/(Loss) before Tax, Adjustment for prior period and extra ordinary activities	342,139,714
Adjustment for:-	
Depreciation	43,786,092
Interest Paid	14,233,070
Dividend Income	-
Loss / profit on Sale of Fixed assets	(693,372)
Other Income	(27,546,164)
Preliminary & Other Expenses w.off	1,787,951
Interest Received	(4,811,951)
Operating Profit before Working Capital Changes-	368,895,340
Adjustment for:-	
Inventories	(38,651,643)
Sundry Debtors	(21,411,205)
Other Current Assets	(246,229,064)
Current Liabilities & other payable	106,905,643
NET CASH FROM OPERATING ACTIVITIES (A)	<u>169,509,071</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES:	
Addition in Fixed Assets	(723,743,146)
Increase In Deffered Revenue Expenditure	-
Addition in Investment	-
Sale Proceeds of Fixed Assets	1,715,000
Misc. Income	27,546,164
Interest Received	4,811,951
Dividend Received	-
NET CASH USED IN INVESTING OPERATING ACTIVITIES (B)	(689,670,031)
(C) CASH FLOW FROM FINANCING ACTIVITIES:	
Interest Paid	(14,233,070)
Increase in Secured Loan	(108,339,799)
Increase in Unsecured Loan	72,363,871
Proceeds from issue of share capital	750,000,000
NET CASH USED IN FINANCING ACTIVITIES (C)	<u>699,791,002</u>
Net Increase/Decrease in Cash & Cash Equivalents (A+B+C)	179,630,042
Cash & Cash Equivalents at the begning of the year	23,889,653
Cash & Cash Equivalents at the closing of the year	203,519,695

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 : 15th May, 2010

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

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

AUDITORS CERTIFICATE ON CASH FLOW STATEMENT

We have examined the above cash flow statement of M/s Globus Spirits Limited (formerly Globus Agronics Limited) which is derived from the financial statements for the year ended 31st March 2010 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.

Place: New Delhi
Date: 15th May, 2010.

For B.M.CHATRATH & CO.
CHARTERED ACCOUNTANTS

Sd/-
(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 : 31.03.2010

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

Public Issue: 750000 Right Issue : NIL

Bonus Issue: NIL Private Placement : NIL

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

Total Liabilities : 1,934,639 Total Assets : 1,934,639

Sources of Funds

Paid-up Capital : 197,577 Reserves & Surplus : 1,416,233

Share Application : NIL

Secured Loan : 55,328 Unsecured Loan : 81,766

Deferred tax liability : 183,735

Application of Funds

Net Fixed Assets : 1,362,877 Investment : 259

Net Current Assets : 571,489 Misc.Expenditure : 14

Accumulated Losses : NIL

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

Turnover (incl.other Income) : 3,875,933 Total Expenditure : 3,507,382

Profit before tax : 458,816 Profit after Tax : 289,194

Earning per Share : 17.73 Dividend Rate(%) : 10.00

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 B.M.Chatrath & Co.
Chartered Accountants

For & on behalf of Board

Sd/-
(Umesh C. Pandey)
Partner

Sd/-
(Ajay K. Swarup)
Managing Director

Sd/-
(Manik Lal Dutta)
Executive Director

M.No.55252
Place : New Delhi
Date: 15th May, 2010.

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

Sd/-
(Santosh K. Pattanayak)
Company Secretary



NOTICE

NOTICE is hereby given that the **Seventeenth Annual General Meeting** of the Members of the Company will be held on Thursday, 09th September 2010 at 3.00P.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, 2010, the Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend on Equity Shares of the company
3. To appoint a Director in place of Mr. Gautam Premnath Khandelwal, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Rajesh Kumar Malik, 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 Dr. Bhaskar Roy, who was appointed by the Board of Directors as Additional Director w.e.f. 22nd October 2009 and designated as Director-Finance 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 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 Dr. Bhaskar Roy as Director-Finance of the company w.e.f. 22nd October 2009 whose period shall be determined by liable to retire by rotation & his present monthly remuneration is as under :-

Basic Salary : Rs.1,21,250/- per month with suitable increases as determined by the Board.

Medical Allowance : Rs.15,000/- per annum 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) **Telephone facility** for use of company's business purpose.

(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.

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 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 the above resolution.”

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

“**RESOLVED that** the Board of Directors of the Company be and is hereby authorized under section 293(1)(d) of the Companies Act, 1956 to borrow money from time to time up to a limit not exceeding in the aggregate of Rs.100crores (Rupees one hundred crores only) notwithstanding that money to be borrowed, together with the money already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business), may or may not exceed the aggregate of the paid-up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purposes.”

By Order of the Board
For Globus Spirits Limited

Sd/-

(Santosh Kumar Pattanayak)
Company Secretary

Place:New Delhi
Date:30/07/2010



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 04th September 2010 to 09th September 2010 (both days 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.
9. Details of the Directors seeking appointment/reappointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement):

Name	Dr. Bhaskar Roy	Sh. Rajesh Kumar Malik	Sh. Gautam Premnath Khandelwal
Age	46 Years	54 Years	48 Years
Qualifications	M.Com, FCA, PHD	B Sc, Diploma in Business Management	B A (Economics)
Expertise in specific functional area	He has vast experience in Strategic Financial Planning & controlling, Fund Management, Accounts, Auditing, Budgeting and MIS etc.	He is adept in the art of blending operations and product development in all varieties such as whisky, rum, brandy, IMFL etc..	Prominent Industrialist having wide business experience.
Date of appointment as Director of the Company	22.10.2009	01.12.2006	16.02.1993
Directorship of other companies #	NIL	NIL	1. Nagpur Power & Industries Ltd, 2. Informed Technologies India Ltd., 3. Punjab National Bank
Chairman/Member of Committees of other Companies+	NIL	NIL	3
No. of shares held*	100	490	33
Inter-se relationship with other Directors	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 31/03/2010.

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

ITEM No. 6

The Board had co-opted Dr. Bhaskar Roy as an Additional Director w.e.f. 22nd October, 2009. 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 Dr. Bhaskar Roy 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 Dr. Bhaskar Roy is interested in the resolution.

ITEM No. 7

The Board of Directors of the Company has appointed Dr. Bhaskar Roy, as Director-Finance (Executive Director) of the Company, w.e.f. 22nd October 2009.

Dr. Bhaskar Roy has considerable experience in finance, administration in Alcoholic Beverages Sector.

As per the provisions of the Companies Act, 1956, it is necessary to obtain the consent of the shareholders by a special resolution for appointment and payment of remuneration to Dr. Bhaskar Roy as Director-Finance of the Company, the Board recommends the resolutions to be passed by the shareholders as per the requirements of the Companies Act, 1956.

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 of the company except Dr. Bhaskar Roy has any interest in the proposed resolution.

ITEM No. 8

In order to maintain the balanced debt/equity ratio of the company in future and in order to increase the borrowing limits which may or may not exceeds the aggregate of paid-up capital and free reserves of the company, it is necessary u/s 293 (1) (d) of the Companies Act, 1956 for the Board of Directors to be vested with the borrowing limits up to which they can borrow money from the banks or any financial institutions.

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

None of the Directors of the company has any interest in the proposed resolution except as a shareholders holding in the aggregate very negligible percent of the issued shares of the capital of the company

Place : New Delhi
Date : 30/07/2010

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





GLOBAL SPIRITS LIMITED

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

PROXY FORM

Folio No.

DP. ID*

Client ID*

No. of shares(s) :

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 17th Annual General Meeting to be held on
Thursday, the 09th September, 2010 at 3.00 p.m. or at Sri Sathya Sai International
Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-110003 or 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.

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GLOBAL SPIRITS LIMITED

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

Attendance Slip

Folio No.

DP. ID*

Client ID*

No. of shares(s) :

I hereby record my presence at the 17th Annual General Meeting to be held on
Thursday, the 09th September, 2010 at 3.00 p.m. or 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.

