

Globus Spirits Limited



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Globus Spirits

Q3 FY2010

Net Revenues at Rs. 976.6 million

PAT at Rs. 54.0 million

New Delhi, January 27, 2010

Globus Spirits Limited, a leading North Indian player in the spirits sector including IMFL & Country Liquor announced its results for the quarter and nine months ended 31st December 2009.

Performance Review for Q3 FY2010

- Net revenues at Rs. 976.6 million
- Operating Profits at Rs. 98.6 million
- Profit After Tax stood at Rs. 54.0 million

Performance Review for 9M FY2010

- Net revenues at Rs. 2,719.1 million
- Operating Profits at Rs. 286.3 million
- Profit After Tax stood at Rs. 173.4 million

Balance sheet status as on 31st December 2009

- Networth of Rs. 1,521.17 million
- Long term debt of Rs. 12 million
- Cash & cash equivalents of Rs. 326 million
- Capex work in progress of Rs. 705.6 million



Q3 & 9M FY2010

Commenting on Globus Spirit Limited's Q3 & 9M FY2010 results, Mr. Ajay Kumar Swarup, Managing Director of Globus Spirits Limited said:

"It is our focus to expand our presence in the IMFL market through our brands both current and those planned in the future. While we are consolidating our position in the country liquor segment, our IMFL brands are likely to contribute to better margins going forward.

The Company is currently implementing various expansion projects to double its capacity at Behror (Rajasthan) and Samalkha (Haryana) units. These initiatives will provide the Company with economies of scale as well as lower cost of production which we believe will provide growth impetus to our businesses. Further the company has already taken steps to get carbon credits on new power generation under installation at both the distilleries under 'Clean Development Mechanism' (CDM).

Overall, with various initiatives in hand while increasing its reach to other parts of the country, we believe, the Company is well poised to report a sustained performance going forward."

Details of Manufacturing Facilities

GSL has two modern distilleries at the following locations:

1. **Behror, District Alwar (Rajasthan):** The facility is built on an area measuring 17.97 acres of land
2. **Samalkha, District Panipat (Haryana):** The facility is built on an area measuring 16.575 acres of land

Both the units are capable of manufacturing alcohol from molasses and grain. This feature has given GSL the flexibility to use grain as a raw material when molasses prices have touched record levels in the last year. Each of the units has a licensed and installed



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capacity of 14.4 million Bulk Litres (BL) p.a. aggregating to 28.8 million BL. Both the units are operating at almost 100% capacity.

GSL is in the process of enhancing the capacity of Industrial Alcohol to 24.3 million BL per annum in each unit. The total capacity after expansion in both the factories will be 48.6 million BL per annum. This expansion will provide the Company with economies of scale as well as reduce cost of production.

The table provides an overview of the capex

Location	Current capacity (Mn. BL p.a.)	New capacity (Mn. BL p.a.)	Expected time of completion	Cost to be incurred (Rs. Mn.)
Behror, Rajasthan	14.4	24.3	31.03.2010	337.8
Samalkha, Haryana	14.4	24.3	31.03.2010	367.8

Balance Sheet Snapshot

Particulars (Rs. million)	31 December 2009	30 September 2009
Gross block	1,004.02	955.5
Net worth	1,521.16	1,467.15
Total debt	53.0	70.0
Break-up of total debt		
o Working capital	40.0	55.0
o Term loan	12.0	14.0
o Others	1.0	1.0
Cash & Cash Equivalents	326	310



Q3 & 9M FY2010

Key Growth Drivers & Outlook:

The value chain in a distillery industry comprises of raw material suppliers, distillers, and intermediaries (Govt., wholesalers and retail dealers). GSL has a strong established value chain, which takes care from distilling of alcohol to the distribution of the same.

The Company has a strong position in domestic country liquor (CL) segment with significant market share (22%, 17%, 20%, and 15% share in Rajasthan, Haryana, Delhi and Chandigarh respectively). The Company has managed to improve its dominance in this segment by introducing its own brands of country liquor and marketing them like IMFL. The recent government crackdown on illicit country liquor facilities due to hooch tragedies bodes well for GSL as more people will move towards the branded segment.

GSL is amongst the few Indian manufacturers that has completely streamlined multi-feedstock (coarse grain and molasses) abilities. Its production facilities can utilize either molasses or grain (broken rice, bajra, wheat etc), reducing the dependence on any specific raw material. This will help the Company to manage margins in a scenario of rising input prices, given that raw materials and packing Material account for over 60% of costs.

The Company has identified the branded IMFL category as the key growth driver for the future. It is aggressively concentrating on expanding its presence in this segment as it has the highest margins among all product categories. Its strategy is to establish a pan India presence for its IMFL brands and has launched a marketing campaign for the same. The growth in this segment will directly add to the overall margins given the low share of branded IMFL in the current volumes.

GSL is also in the activity of bottling for some of the big well-known distillers. The recent tie up with Jagatjit Industries and existing tie up with ABD India totaling to 2.2 million



Q3 & 9M FY2010

cases p.a. has provided an impetus to this line of business. It also plans to increase its bottling capacity to cater to increasing demand of the bottled products segment.

The lower per capita consumption of alcohol in India, higher volume in the unorganized cheap segment of the spirits business with its likely transition into the organized sector, the changing consumer perception of alcohol and the progressive regulatory changes are the key drivers to the growth of this industry.



Q3 & 9M FY2010

About Globus Spirits Limited (GSL)

Established in 1992, Globus Sprits Limited (BSE code: 533104, NSE Id: GLOBUSSPR, ISIN Id: INE615I01010) is engaged in manufacturing, marketing and sale of Industrial Alcohol comprising of Rectified Spirit, ENA, Country Liquor and Indian Made Foreign Liquor (IMFL). The Company has a well established presence in the country liquor segment and is making its mark in the IMFL segment apart from taking up contract bottling to cater to renowned Indian players.

GSL currently operates two modern fully integrated distilleries at Behror, Dist: Alwar, (Rajasthan) and Samalkha, Dist: Panipat, (Haryana), which presently has a combined capacity of 28.8 million bulk litres (BL) per annum, are under expansion to double its present capacity with a captive supply of water & power. Both the plants at present are operating at 100% capacity.

Investor contacts

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***Note:** Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Globus Spirits Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*

Financial Performance for the quarter ended December 31, 2009



Globus Spirits

Q3 & 9M FY2010

GLOBUS SPIRITS LIMITED

REGISTERED OFFICE : A-46, FRIENDS COLONY (EAST), NEW DELHI-110065

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST DECEMBER, 2009

(Figure in Lacs)

S. No.	Particulars	3 months ended 31.12.2009	Corresponding 3 months ended in the previous year 31.12.2008	Year to date figures for current period ended 31.12.2009	Year to date figures for the previous year ended 31.12.2008	Previous accounting year ended 31.03.2009
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. (a)	Net Sales/Income from operations	9,714.97	N.A.	27,047.85	N.A.	28,140.17
(b)	Other Operating Income	50.90	N.A.	143.10	N.A.	173.43
	Total	9,765.87	N.A.	27,190.95	N.A.	28,313.60
2	Expenditure				N.A.	
	Increase/decrease in stock in trade and work in progress	(75.74)	N.A.	(152.87)	N.A.	(215.99)
a.	Consumption of Raw & Packing Materials	4,242.37	N.A.	11,620.73	N.A.	8,335.81
c.	Purchase of Traded goods		N.A.		N.A.	
d.	Excise Duty Paid	2,972.93	N.A.	8,257.13	N.A.	8,426.87
e.	Employees Cost	140.43	N.A.	343.76	N.A.	310.46
f.	Depreciation	203.09	N.A.	546.60	N.A.	573.48
g.	Other expenditure	1,500.44	N.A.	4,259.63	N.A.	8,685.64
h.	Total	8,983.51	N.A.	24,874.97	N.A.	26,116.28
3	Profit from operation before other Income, Interest and Exceptional Items (1-2)	782.36	N.A.	2,315.98	N.A.	2,197.32
4	Other Income	48.11	N.A.	70.60	N.A.	92.69
5	Profit before interest and Exceptional Items (3+4)	830.47	N.A.	2,386.58	N.A.	2,290.01
6	Interest	15.32	N.A.	127.22	N.A.	296.22
7	Profit after Interest and Exceptional Items (5-6)	815.14	N.A.	2,259.36	N.A.	1,993.79
8	Exceptional Items		N.A.		N.A.	
9	Profit (+)/Loss (-) from Ordinary Activities before Tax (7+8)	815.14	N.A.	2,259.36	N.A.	1,993.79
10	Tax Expenses	275.00	N.A.	525.00	N.A.	700.64
11	Net Profit (+)/Loss (-) from Ordinary Activities after Tax (9-10)	540.14	N.A.	1,734.36	N.A.	1,293.15
12	Extraordinary Item (net of tax expense Rs.		N.A.		N.A.	
13	Net Profit (+)/Loss (-) for the period (9-10)	540.14	N.A.	1,734.36	N.A.	1,293.15
14	Paid up equity share capital (Face Value of the share shall be indicated)	1,975.77	N.A.	1,975.77	N.A.	1,225.77
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	13,235.91	N.A.	13,235.91	N.A.	4,751.55
16	Earning per share (EPS) a) Basic and diluted EPS before Extraordinary items (not annualised)	2.73	N.A.	11.41	N.A.	10.55
	b) Basic and diluted EPS after Extraordinary items (not annualised)	2.73	N.A.	11.41	N.A.	10.55
17	Public Shareholding		N.A.		N.A.	
	- No. of shares	7,940,231	N.A.	7,940,231	N.A.	440,231
	- Percentage of shareholding	40.19	N.A.	40.19	N.A.	3.59
18	Promoters and promoter group shareholding		N.A.		N.A.	
a)	Pledged/Encumbered		N.A.		N.A.	
	- Number of shares	NIL	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total share capital of the company)	NIL	NIL	NIL	NIL	NIL
b)	Non-encumbered		N.A.		N.A.	
	- Number of shares	11,817,510	N.A.	11,817,510	N.A.	11,817,510
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	N.A.	100	N.A.	100
	- Percentage of shares (as a % of the total share capital of the company)	59.81	N.A.	59.81	N.A.	96.41

Notes :

- The above results have been reviewed by the Audit Committee and taken on record in the meeting of the Board of Directors held on 27th January, 2010.
- The results for the quarter ended 31st December 2009 have been subjected to "limited review" by the Auditors.
- The company has a single reportable business segment of "Alcoholic Beverages"
- Figures of 3 months & 9 months ended 31st Dec 08 could not be shown as quarterly reporting has started only in the current year, consequent upon the initial listing of company's securities at BSE & NSE on account of its IPO of 75,00,000 equity shares of Rs.10/- each at a price of Rs.100/- per share.
- EPS has been computed on weighted average method for the quarter & Nine Months ended 31st December 2009 in accordance with AS-20.
- Status of Investor Complaints during the quarter ended 31st December 2009.
- No. of Complaints pending at the beginning of the quarter : NIL
- No. of Complaints received & disposed during the quarter : NIL
- No. of Complaints lying unresolved at the end of the quarter : NIL
- During the Period ended 31st December 2009, the company has, pursuant to its IPO, allotted 75,00,000 equity shares of Rs.10/- each at a price of Rs.100/- aggregating to Rs.75crores. The details of fund received from allotment & utilisation of such funds are given below:

Details of Funds Raised & Utilised

Funds Raised

IPO

Rs. In Lacs

7,500.00

Funds Deployed

IPO Expenses 662.35
Short Term Liquid Fund 5,021.89
Adv. To Supplier for P&M & Other Cap. Exp 1,815.76

Rs. In Lacs

7,500.00

Place : New Delhi
Date : 27th January 2010

For Globus Spirits Limited

Ajay K. Swarup
Managing Director