

Globus Spirits Limited

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Globus Spirits

FY 2010

Net Revenues up by 36% at Rs. 3,864 million

PAT up by 124% at Rs. 289 million

EPS up by 68% at Rs. 17.73

Board of Directors recommends 10% Final Dividend

New Delhi, May 15, 2010

Globus Spirits Limited (GSL), a leading North Indian player in the spirits sector including IMFL & Country Liquor announced its results for the quarter and year ended 31st March 2010.

Commenting on Globus Spirit Limited's Q4 & FY2010 results, Mr. Ajay Kumar Swarup, Managing Director of Globus Spirits Limited said:

"Our results are very encouraging and we intend to maintain the momentum going forward. Our core focus continues to remain on establishing ourselves in the branded IMFL space while consolidating our position in country liquor & bottling segments. We have exciting brand launches planned in the IMFL space in the coming quarters of this financial year. Also the thrust is on increasing our marketing & distribution reach which will help us establish a pan India presence. The Country Liquor business is thriving and the price hikes received in some of the key states will augment profitability.

Q4 & FY 2010

GSL is the only company which has a 360 degrees (across all segments) presence in the spirits sector right from bulk alcohol to branded IMFL which makes it a unique player in this industry and we intend to pursue differentiated strategies for each of the businesses to strongly pursue growth opportunities."

Performance Review for FY 2010 vis-à-vis FY 2009

- 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

Performance Review for Q4 FY 2010

- Net revenues stood at Rs. 1,145 million
- Operating Profits stood at Rs. 102 million
- Profit After Tax stood at Rs. 116 million
- EPS stood at Rs. 5.86

Balance Sheet Perspective

- 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

Details of planned Capacity Expansion

GSL has two modern distilleries at Behror (Rajasthan) & Samalkha (Haryana).

Both the units have multi feedstock capability which gives them the flexibility to manufacture alcohol from either molasses or grain. The current capacity of these units is 28.6 million BL p.a.

From the planned capacity expansion of 48.6 million BL p.a. GSL plans to further expand capacity to 70 million BL at a minimal incremental cost of Rs. 80 million. The capex is expected to be completed by Q2 FY2011.

Business Overview

Branded IMFL

In the branded IMFL category, GSL is present in seven states and plans to enter another two states by the June 2011. The Company plans to launch two new brands in this segment in H1 FY 2011. The first launch is planned in the regular category coupled with a second launch in the semi premium category. It is ramping up its marketing & distribution network given that it is pre requisite for any successful IMFL player. The share of branded IMFL is currently low but is expected to increase in the coming quarters.

Country Liquor:

Country Liquor is the largest segment in volume terms in the domestic alcohol market. On a pan India basis the growth has been stagnant but the northern regions have shown a growth of over 20% on the back of strong rural demand. There are entry barriers in this segment as only players who own a distillery in the state which they operate can market their brands in that particular state. GSL is present in the country liquor segment in the

Q4 & FY 2010

states of Haryana, Rajasthan & Delhi. A strong volume growth coupled with price hikes in the states which GSL is operating is expected to further boost profitability. Country Liquor contributed 42.3% to the total revenue share in FY 2010.

Franchise IMFL & Bulk Alcohol

The Company is the bottler and manufacturer for IMF brands (Officers Choice, Class Vodka) of Allied Blenders & Distillers in the state of Rajasthan since 2008. The agreement expired in March 2010 and has been renewed for another three years. The Company also has a tie up with Jagatjit Industries (Aristocrat Whisky) to manufacture and bottle their IMFL brands in the state of Haryana which became operational in April 2010. In the bulk alcohol space the Company caters to elite clients such as United Spirits & ABD India.

Company Outlook:

- The reduction in prices of raw materials (molasses & grains) will improve profitability going forward
- New brand launches in the branded IMFL space will help GSL to drive volumes as well as profitability
- The Company is in the process of acquiring some CSD brands which will further augment volume growth in the IMFL space
- Country Liquor segment is expected to show healthy growth on the back of robust rural demand
- Bottling remains a strategic business for GSL given the dearth in the bottling capacity caused by the expansion of pan India players
- FY 2011 will see the benefits of expanded capacity and new brand launches where both of the initiatives are expected to noticeably drive earnings

About Globus Spirits Limited (GSL)

Established in 1992, Globus Spirits 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 increase its present capacity to 70 million bulk litres (BL) per annum with a captive supply of water & power. Both the plants at present are operating at 100% capacity.

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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.*

GLOBUS SPIRITS LIMITED

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

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2010

(Figure in Lacs)

S. No.	Particulars	Quarter Ended		Year Ended	
		31.03.2010	31.03.2009	31.03.2010	31.03.2009
		Unaudited	Unaudited	Audited	Audited
1. (a)	Net Sales/Income from operations	11,380.97	N.A.	38,428.82	28,140.17
(b)	Other Operating Income	64.64	N.A.	207.74	173.43
	Total	11,445.60	N.A.	38,636.56	28,313.60
2	Expenditure	-			
a.	Increase/decrease in stock in trade and work in progress	(20.88)	N.A.	(173.75)	(215.99)
b.	Consumption of Raw & Packing Materials	4,755.16	N.A.	16,375.89	12,633.37
c.	Purchase of Traded goods	-			
d.	Excise Duty Paid	3,671.67	N.A.	11,928.79	8,356.92
e.	Employees Cost	105.59	N.A.	449.35	310.46
f.	Depreciation	(108.74)	N.A.	437.86	573.48
g.	Other expenditure	1,917.83	N.A.	6,177.46	4,458.03
h.	Total	10,320.63	N.A.	35,195.60	26,116.28
3	Profit from operation before other Income, Interest and Exceptional Items (1-2)	1,124.97	N.A.	3,440.95	2,197.32
4	Other Income	52.18	N.A.	122.78	92.69
5	Profit before interest and Exceptional Items (3+4)	1,177.15	N.A.	3,563.73	2,290.01
6	Interest	15.11	N.A.	142.33	296.22
7	Profit after Interest and Exceptional Items (5-6)	1,162.04	N.A.	3,421.40	1,993.79
8	Exceptional Items w.r.t. surplus depreciation written back	1,166.77		1,167	-
9	Profit (+)/Loss (-) from Ordinary Activities before Tax (7+8)	2,328.81	N.A.	4,588.16	1,993.79
10	Tax Expenses	1,171.23	N.A.	1,696.23	700.64
11	Net Profit (+)/Loss (-) from Ordinary Activities after Tax (9-10)	1,157.58	N.A.	2,891.94	1,293.15
12	Extraordinary Item (net of tax expense Rs. _____)	-			
13	Net Profit (+)/Loss (-) for the period (9-10)	1,157.58	N.A.	2,891.94	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	1,225.77
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	14,162.33	N.A.	14,162.33	4,751.55
16	Earning per share (EPS) a) Basic and diluted EPS before Extraordinary items	5.86	N.A.	17.73	10.55
	b) Basic and diluted EPS after Extraordinary items	5.86	N.A.	17.73	10.55
17	a) Debt Equity Ratio	N.A.	N.A.	0.08	0.29
	b) Debt Service Coverage Ratio	N.A.	N.A.	9.84	5.57
	c) Interest Service Coverage Ratio	N.A.	N.A.	16.20	7.30
18	Public Shareholding				
	- No. of shares	7,940,231	N.A.	7,940,231	440,231
	- Percentage of shareholding	40.19	N.A.	40.19	3.59
19	Promoters and promoter group shareholding				
a)	Pledged/Encumbered				
	- Number of shares	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total share capital of the company)	NIL	NIL	NIL	NIL
b)	Non-encumbered		N.A.		
	- Number of shares	11,817,510	N.A.	11,817,510	11,817,510
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	N.A.	100	100
	- Percentage of shares (as a % of the total share capital of the company)	59.81	N.A.	59.81	96.41

SUMMARY OF ASSETS & LIABILITIES AS AT 31ST MARCH, 2010

(Figure in Lacs)

S. No.	Particulars	Year Ended	
		31.03.2010	31.03.2009
		Audited	Audited
1	Capital	1,975.77	1,225.77
2	Reserve and Surplus	14,162.33	4,751.55
3	Loan Funds		
4	Secured Loans	553.28	1,636.67
5	Unsecured Loans	817.66	94.02
6	Deferred Tax Liabilities (Net)	1,837.35	761.12
7	TOTAL	19,346.39	8,469.13
8	Net Fixed Assets (including Capital Work in Progress)	13,628.77	5,672.65
9	Investments	2.59	2.59
10	Current Assets, Loans and Advances	11,327.94	6,486.39
11	Less: Current Liabilities and Provisions	5,613.05	3,692.84
12	Net Current Assets	5,714.89	2,793.55
13	Miscellaneous Expenditure (not written off or adjusted)	0.14	0.34
	TOTAL	19,346.39	8,469.13

Notes :

1. The above results have been reviewed by the Audit Committee and taken on record in the meeting of the Board of Directors held on 15th May 2010.
2. The company has a single reportable business segment of "Alcoholic Beverages"
3. Figures of 3 months ended 31st Mar 09 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.
4. EPS has been computed on weighted average method for the quarter ended 31st March 2010 in accordance with AS-20.
5. Status of Investor Complaints during the quarter ended 31st March 2010.
No. of Complaints pending at the beginning of the quarter : NIL
No. of Complaints received & disposed during the quarter : 03
No. of Complaints lying unresolved at the end of the quarter : NIL
6. During the Year ended 31st March 2010, the company has, pursuant to its IPO, allotted 75,00,000 equity shares of Rs.10/- each at a price aggregating to Rs.75crores. The details of fund received from allotment & utilisation of such funds are given below:

Detail of Funds Raised & Utilised	Rs. In Lacs	Funds Deployed	Rs. In Lacs
Funds Raised			
IPO	7,500.00	IPO Expenses	1,257.84
		Short Term Liquid Fund	443.72
		Adv. To Supplier for P&M & Other Cap. Exp	4,403.51
		Brand Promotion & IMFL Launch	1,394.93
	<u>7,500.00</u>		<u>7,500.00</u>

8. The Board of Directors has recommended a dividend @ Re1/- per equity share of the company (excluding Dividend Distribution Tax) subject to the approval of shareholders in General Meeting.
9. During the current year the company has decided to change the method of charging depreciation to straight line method as in its opinion it is more appropriate presentation of financial statements. The change of method has resulted in surplus depreciation of Rs.15,36,51,509/- for the past year which has been transferred to profit and loss account.
10. Ratios have been computed as follows:
 - a) Debt Equity Ratio = Loan Funds/Shareholders' Funds.
 - b) Debt Service Coverage Ratio = (Profit before interest & depreciation, but after tax) / (Interest expenses + Long term loan payments)
 - c) Interest Service Coverage Ratio = (Profit before interest & depreciation, but after tax) / (Interest expenses)
11. Previous period figures have been regrouped and / or re-arranged wherever necessary to make their classification comparable with the current period.

Place : New Delhi
Date : 15th May 2010

For Globus Spirits Limited

Ajay K. Swarup
Managing Director