



ENabling Excellence

Globus Spirits Limited
2016-17 Annual Report



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Corporate Information

Chairman

Mr. Vivek Gupta
(Non Executive & Independent Director)

Managing Director

Mr. Ajay Kumar Swarup

Executive Directors

Mr. Shekhar Swarup
Mr. Vijay Kumar Rekhi
Mr. Manik Lal Dutta
Dr. Bhaskar Roy

Non-Executive Directors

Mr. Richard Piliero.
Ms. Ruchika Bansal

Non-Executive & Independent Directors

Mr. Joginder Singh Dhamija.
Mr. Santosh Kumar Bishwal
Mr. Kunal Agarwal

Company Secretary

Mr. Santosh Kumar Pattanayak

Auditors:

M/s Deloitte Haskins & Sells
Chartered Accountants,
7th Floor, Building :10, Tower B, DLF Cyber City Complex,
DLF City Phase-II, Gurgaon-122002, Haryana

Bankers :

State Bank of India, HDFC Bank, Axis Bank, Yes Bank,
Lakshmi Vilas Bank, Punjab National Bank

Registered office :

F-0, Ground Floor, The Mira Corporate Suites, Plot No.1& 2,
Ishwar Nagar, Mathura Road, New Delhi - 110065

Registrar & Share Transfer Agents :

Link Intime India Private Limited
44, Community Centre, 2nd Floor, Naraina Industrial Area,
Phase-I, Near PVR Naraina, New Delhi-110028

Stock Exchanges where the Company is listed :

- 1) Bombay Stock Exchange
- 2) National Stock Exchange

Website :

www.globusspirits.com





ENAbling Excellence

Through our commitment to performance we have been

.....ENAbling **Product excellence** by producing and using highest quality of “ENA” or Extra Neutral Alcohol

.....ENAbling **Marketing excellence** by pioneering branding at the bottom of the pyramid 'IMIL' market as well as creating innovative 'IMFL' brands

....ENAbling **Organizational excellence** achieved through our unique 360 degree business model, allowing for high capacity utilization

....ENAbling **Manufacturing excellence** by establishing world-class, fully integrated, earth-friendly distilleries that produce reliable products at better efficiencies

ENAbling Product Excellence

The Extra Neutral Alcohol that is fractioned in our multi-pressure columns assures higher purity than conventional re-distillation techniques thereby providing safer and better tasting beverages. In addition, stringent controls over the natural fermentation process ensures that every batch of ENA is ENAbling excellence, day after day.

In fact, we were the 1st company to use this high quality ENA for producing IMIL even before the Government started to mandate it.

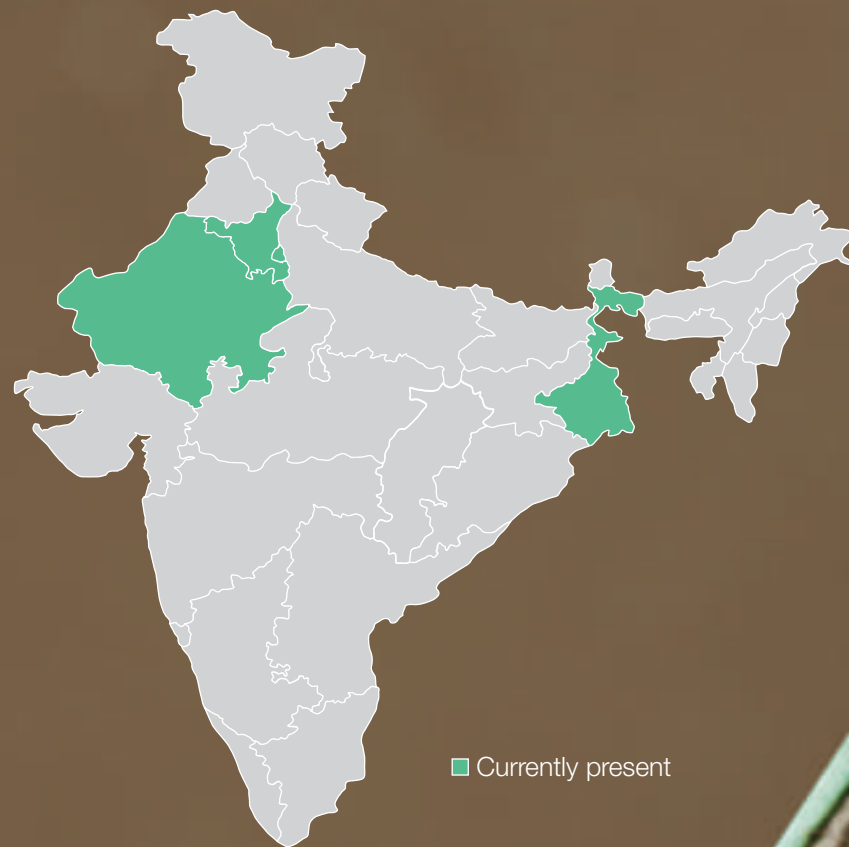
ENAbling Marketing Excellence

Our product excellence has ENAbled us to pioneer branding in the IMIL space with launch of India's 1st ENA based country liquor brand– Nimboo. As a first for the industry, we gave the bottom of the pyramid consumer a better tasting product, along with superior packaging that the consumers otherwise expect from other FMCG lines. This has led to a higher value perception of our brands. Little wonder then, that every day we are redefining 'country liquor' in India.



ENAbling PAN-India IMIL leadership

We envisage ourselves as becoming PAN India IMIL leaders, making the most of opportunities emerging in new markets. Our recently commissioned distillery project in East India in state of West Bengal is a step towards the same.



■ Currently present

ENAbling Organizational Excellence

Led by a blend of experience-led wisdom and youthful exuberance, Globus Spirits operates with high standards of Corporate Governance creating value for all of its stakeholders.

RIGHT STRATEGY

Our unique 360 degree business model has been perfected over two decades. Our approach allows for greater control on quality of our consumer products and higher utilization of ENA facilities enabling us to generate healthy returns.

RIGHT PARTNERS

We believe strong partnerships, whether it be in the form of relationships with customers, employees or investors, are critical in growth of a company. We have tirelessly worked towards building the right kind of partnerships and have established deep relationships with stakeholders.

RIGHT VALUES

We operate on high standards of governance, fair and transparent in all our dealings whether internally or

with our customers, suppliers, and dealers. We encourage a culture of participation and truthfulness.

RIGHT TEAM

A strong team, unified in its vision, is critical to the success of any organisation. Over the years, we have built a dynamic and robust team backed by deep industry experience, reflected in a well defined and effective organisation structure.



ENAbling Manufacturing Excellence

Our manufacturing facilities are ENAbling excellence by maximising yields from raw material. Our fully operational production units allow us to maximise alcohol yield while maximising production of by products leading to complete utilisation of the raw material. We expect efficiencies to be even more superior in our recently commissioned plants in West Bengal and Bihar*, the engineering and design of which not only incorporates technological advances but also incorporates our past learnings to achieve high efficiencies.

These facilities are also ENAbling a clean environment with a zero pollution footprint and cogeneration of power using renewable biomass as fuel.

ENAbled excellence in our manufacturing facilities helped us achieve:

- Over 88 million litres of production with zero discharge
- End to end production of over 15 million cases of bottled beverages
- ~82% utilization of operating capacity, ~45% used in-house for value added products
- Over 5 years of relationship with India's top 2 IMFL companies

*Bihar plant is currently closed and pending license renewal by Bihar State excise. The Government of Bihar had announced non-renewal of manufacturing licenses from April 1, 2017. Subsequently, the Honorable High Court at Patna gave a favorable judgment against this law for filing renewal of distillery license application and also directed the Bihar State Government to consider renewal of licenses.

Based on the decision of the High Court, the Company has applied for renewal of license with Registration, Excise and Prohibition Department, Government of Bihar, Patna on May 05, 2017. The said application is currently pending with the department."

360° EXPANSION IN FY16

01

STRENGTHENING OF OUR BRANDS

Ghoomer, largest selling IMIL brand by a private player in Rajasthan, with ~15% market share

Launched Goldee as an umbrella brand with multiple flavor variants in West Bengal

02

MAINTAINED DOMINANCE IN IMIL MARKET

With total sales of ~11.8 mn cases; significant market share in states of presence

03

STEADY PERFORMANCE OF IMFL FRANCHISEE BUSINESS WITH VOLUMES SUSTAINING AT 3.3MN CASES

04

ACHIEVED ROBUST PERFORMANCE IN BULK ALCOHOL PRODUCTION WITH VOLUME CAGR OF 9% DURING FY13 TO FY17

Sustained high utilization levels due to 360° approach

Total capacity of ~150mn* Bulk Litres of alcohol

*Out of ~150 mn litres, Bihar plant having capacity of ~26mn litres is closed and pending license renewal by Bihar State excise.

05

EXPANDING IMIL FOOTPRINT

Recently entered attractive West Bengal IMIL market backed by the 360° model

06

FINANCIAL HIGHLIGHTS (STANDALONE)

Steady growth of 12% to reach revenues of ~₹ 7.9bn

EBITDA of ₹ 606mn and PAT of ₹ 90mn

Sound balance sheet position with debt-equity ratio of 0.67x

Chairman's Message

Dear Shareholders,

It gives me immense pleasure to present to you the Annual Report of Globus Spirits for the Financial Year 2016-17. Globus Spirits takes pride in being a successful 360° alcobev player present across Distillery, IMIL, Franchise Bottling and IMFL. Our presence across the alcobev value-chain gives us ample opportunities to straddle across segments and deliver profitable growth.

During the year under review, Globus Spirits commenced commercial production at the Greenfield distilleries in West Bengal and Bihar with capacity of 33 million BL and 26 million BL respectively. With this, your Company has now become the Largest Grain-Based Distillers in India with total distillery capacity of 150 million bulk liters per annum. This was possible due to Company's vision of building world-class state-of-the-art manufacturing facilities. These capacities have one of the highest alcohol recovery rates in the country, which has been achieved through continuous focus on improving efficiencies. I am also happy to state that these facilities have a zero pollution footprint – a rarity in our industry.

Financial Year 2017 was a difficult period for Globus Spirits as a result of adverse policy decisions which impacted our Bihar operations as well as not-so-conducive external market environment. This was further hindered by volatile raw material prices. Having said that, your Company reported a resilient performance during the year, with revenue growth of 12% to ₹ 7,891 million, while PAT moderated to ₹ 90 million. Our performance during the year was driven by healthy growth in distillery as well as franchise IMFL volumes. This was further aided by steady IMIL revenues mainly from Haryana and Rajasthan, which registered strong volume growth of 22% and 18% respectively. We expect this momentum to continue in both the markets as a result of host of strategic initiatives undertaken by us over the past few years.

I am glad to share that we launched our IMIL brand 'Goldee' in West Bengal in Q4 FY17 and the initial off

take thus far has been very encouraging. We plan to launch more variants and brands of 'Goldee' in the ensuing year. As you all may be aware, West Bengal is an alcohol deficit market where the overall demand surpasses supplies. Therefore, our foremost target here will be to bridge the demand-supply gap and rapidly scale-up sales volume. The grain prices are lower in West Bengal compared to North India, while ENA realizations are better resulting in higher spread between grain and ENA price. We expect this should further improve our profitability from this facility. Overall, the West Bengal distillery is well positioned and we remain confident of implementing a robust 360° Alcobev business model in the state.

In the fourth quarter of fiscal year 2017, the Board of Directors appointed Mr. Vijay Rekhi as Additional Director (Executive Director) of the Company. Mr. Rekhi brings in four decades of experience in IMFL space and has played an instrumental role in premiumization of various IMFL brands across segments. Under his leadership, we propose to launch four niche IMFL brands in the current financial year 2017-18 in the state of Karnataka and Pondicherry and target premium distribution outlets to roll out these quality brands. This would be done through our 100% owned subsidiary 'Unibev'.

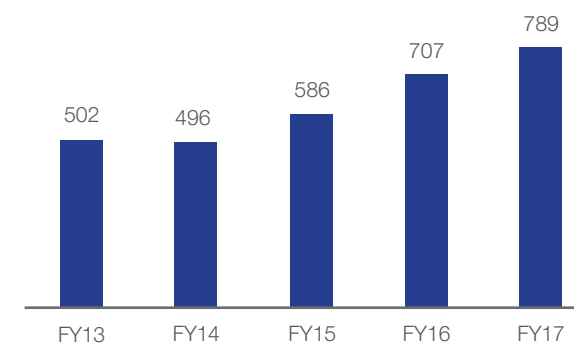
With all the positive facets in place, I expect FY18 to be a breakthrough year for Globus Spirits in terms of growth and profitability.

I take this opportunity to thank our valued employees, business partners, vendors as well as other stakeholders, for their unstinted support and confidence in Globus Spirits. I would also like to express my sincere gratitude to all of our shareholders for your continued support and encouragement.

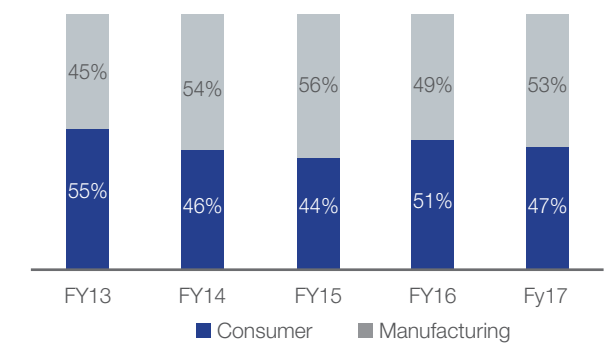
Sd/-
Vivek Gupta
Chairman

Historical Financials (Standalone)

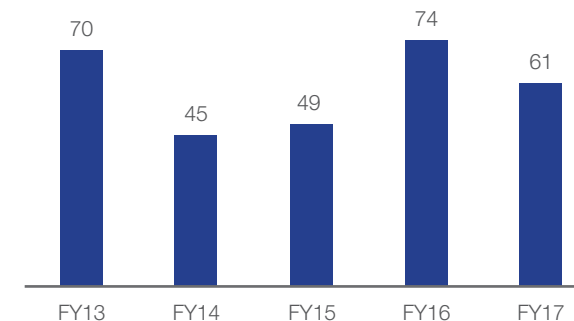
Net Revenues (₹Crore)



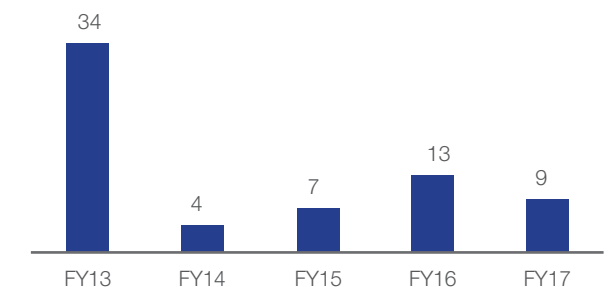
Segment Revenue Split



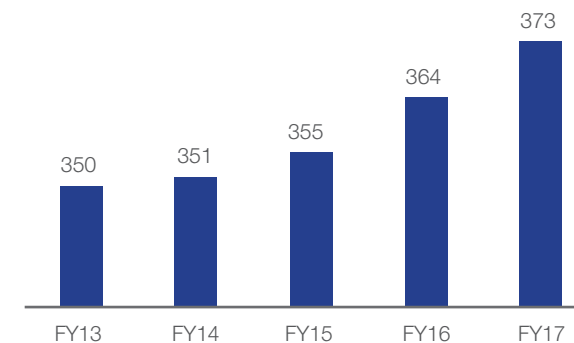
EBITDA (₹Crore)



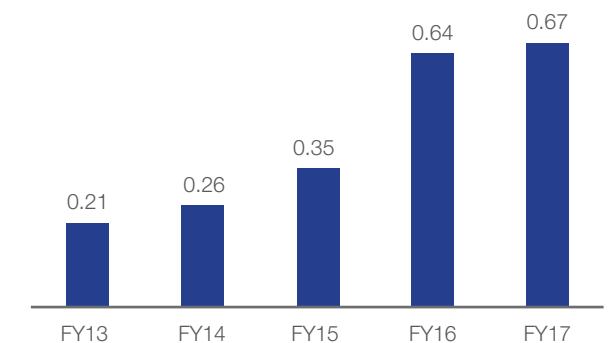
Profit after Tax (₹Crore)



Net Worth (₹Crore)



Debt-Equity Ratio (x)



* Post financial have been restated to reflect changes in accounting policies/practices

Board’s Report

To the Members

Your Board of Directors to present the Twenty-fourth Annual Report and Audited Accounts for the year ended 31st March, 2017.

FINANCIAL PERFORMANCE

Particulars	(₹ In Lacs)			
	Current Year (2016-17)		Previous Year (2015-16)	
	Standalone	Consolidated	Standalone	Consolidated
Total Revenue	79,356	79,330	71,053	71,058
Total Expenses	78,853	78,994	69,581	69,836
Profit before Explanatory items & Tax	503	336	1,472	1,222
Profit before tax after extraordinary items	503	336	1,472	1,222
Less: Provision for taxation including Deferred tax	(399)	(399)	218	218
Profit/(Loss) after tax	902	735	1254	1004
Basic EPS	3.13	2.55	4.35	3.49
Diluted EPS	3.13	2.55	4.35	3.49

PERFORMANCE OVERVIEW

During the year under review the Total Revenue of the Company has increased by 11% from ₹ 71,053 lacs (Previous year) to ₹ 79,356 lacs (Current year) and PBT has been decreased by ₹969 lacs from the previous year and also PAT has been decreased by ₹352 lacs from the previous year. The Basic EPS of the Company is ₹3.13/- as compared to ₹4.35/- and the diluted EPS of the Company is ₹3.13/- as compared to ₹4.35/- in the previous year.

THE YEAR IN PERSPECTIVE

FY2016-17 was a difficult year for the alcohol industry as it was marred by several adverse policy decisions. The prohibition in Bihar became effective and several other state governments showed a similar intent, followed by demonetization and a soon-to-arrive GST regime which too would be negative for alcohol industry – all-in-all sentiment in the industry was very muted.

In this backdrop, your company commenced commercial production at its greenfield plants in Bihar and West Bengal taking the total annual operating distillation capacity to 150 million litres. However, the mood around commissioning was subdued as the Bihar government soon notified non-renewal of alcohol manufacturing licenses in the state from FY17-18. This was also a year when raw material prices witnessed an unusual increase. However, like in the past, your company showed resilience and posted a steady performance during the year led by strong growth in IMIL in Haryana and Rajasthan and higher bulk alcohol sales driven by additional capacities coming on-stream.

Revenues from operations increased by 12% to reach Rs 789.1 crore while EBITDA and PAT margins stood at 8% and 1%

respectively, a slight decline from last year. Profitability was impacted by low capacity utilizations at the greenfield facilities which were commissioned during latter part of the year and the impending Bihar closure also disincentivized scale-up. This resilient performance against a weak operating environment is attributable to your company’s strategy of straddling the spirits value chain and geographic diversification.

The manufacturing business showed strong revenue growth led by commissioning of greenfield facilities and higher bulk alcohol realizations which was partly offset by lower realizations in DDGS. A bumper crop in soya affected protein prices and consequently impacted DDGS revenues negatively.

Driven by strong performance of bulk alcohol, the proportion of manufacturing business in revenues grew from 49% in FY15-16 to 53% in the year under review.

Despite strong revenue growth in IMIL in Haryana and Rajasthan, the IMIL business witnessed slow revenue growth at 5%, driven by closure of Bihar market (due to prohibition) which in the previous year had contributed more than 10% of IMIL revenues. We improved our market shares in Haryana where we are the second largest private player and Rajasthan, where we are already the largest private player and also launched IMIL in West Bengal under the 'Goldee' brand. Though the launch was mostly a test launch, the early signs are very encouraging.

Though uncertainty in Bihar remains a concern, the opportunity in West Bengal is very promising with a large import substitution market holding up prices and a rapidly growing IMIL market. With raw material and fuel prices being lower in West Bengal, this should help to improve profitability.

MATERIAL CHANGES AFTER MARCH 31, 2017 AFFECTING THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this Report. There has been no change in the nature of business of the Company.

DIVIDEND

Your Directors do not recommend any dividend for the financial year 2016-17 because the company wants to reserve funds for its ongoing projects

PUBLIC DEPOSITS

The Company has not accepted or invited deposits covered under the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules 2014 from any person during the year under Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year Mr. Richard Piliero and Mr. Vijay Kumar Rekhi, have been appointed as Additional Directors in the company on 10th April 2017 and 19th May 2017 respectively and pursuant to section 161 (1) of the Companies Act, 2013, the said directors Mr. Richard Piliero and Mr. Vijay Kumar Rekhi will hold office only upto the date of forthcoming AGM of the company and are eligible for appointment as Director. The Board recommends their appointment and accordingly resolution seeking approval of the members for their appointment has been included in the Notice of forthcoming Annual General Meeting of the Company along with their brief profile.

Mr. Rajesh Sehgal, Non Executive & Nominee Director of the

company has been resigned from the Board of the Company w.e.f. 10th April, 2017. The Directors place on record their appreciation of the valuable contribution made by him.

Mr. Manik Lal Dutta, Executive Director of the company and Sh. Shekhar Swarup, Joint Managing Director of the Company, retire by rotation and being eligible offer themselves for re-appointment. The Board recommends their re-appointment.

SUBSIDIARY COMPANIES

Your Company has a wholly owned subsidiaries viz., M/s Unibev Limited (formerly known as M/s Uber Blenders & Distillers Limited) (Indian subsidiary).

In terms of proviso to sub section (3) of Section 129 of the Act, the salient features of the financial statement of the subsidiaries is set out in the prescribed form AOC-1, which forms part of the annual report.

CORPORATE GOVERNANCE

As per requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Compliance Report on Corporate Governance has been annexed as part of the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Policy of the Company and the details about the initiatives taken by the Company on CSR during the year as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been disclosed in Annexure-II to this Report. Further details of composition of the Corporate Social Responsibility Committee and other details are provided the Corporate Governance Report which forms part of this report.

AUDITORS

Pursuant to provisions of Section 139 of the Companies Act 2013, M/s Deloitte Haskins & Sells, Firm Regn No.015125N, Chartered Accountants, having their office at 7th Floor, Building 10, Tower B, DLF Cyber City Complex, DLF City Phase-II, Gurgaon-122002, Haryana, who were appointed in the 21st AGM as statutory auditors of the Company for a period of the first term of five consecutive years till the conclusion of 26th AGM, subject to ratification at every annual general meeting in terms of the Companies Act 2013.

AUDITORS' REPORT

The Auditors in their Report to Members, have given a qualification as follows:-

In Standalone Accounts:

- 1) *As on March 31, 2017, Fixed Assets include Intangible Assets aggregating to ₹721.65 Lacs (March 31, 2016 – ₹1,443.30 Lacs) under the head “Knowhow and New Brand Development” representing intangibles internally generated by the Company through expenditure on advertisement and promotional expenses. Such recognition is not in accordance with Accounting Standard – 26 “Intangible Assets”. Had the Company complied with requirements of AS-26, Fixed Assets as at March 31, 2017 would have been lower by ₹721.65 Lacs (March 31, 2016 – ₹1,443.30 Lacs), Depreciation and amortisation expense for the year would be lower by ₹ 721.65 Lacs, Net profit after taxes and Reserves and Surplus would be lower by ₹471.90 Lacs.*
- 2) *As on March 31, 2017, Plant & Machinery having Net book value of ₹2,966.71 Lacs (March 31, 2016 ₹3,278.63 Lacs*

(Gross Book Value - ₹5,580.40 Lacs (March 31, 2016 ₹5,580.40 Lacs)) that are currently unutilized for over 4 years as on the balance sheet date, for which the management is evaluating alternative use and is of the view that no impairment is considered necessary at this stage. In absence of impairment assessment, we are unable to comment on recoverability of carrying value of such assets and consequent adjustment that may be required upon such assessment

- 3) *In case of fixed assets, the Company's internal financial controls around recording of fixed assets and timely identification, monitoring and reporting of non-usable fixed assets are operating in a manner that it may lead to delayed appropriate action / charge-off in the financial statements and consequently result in misstatement of the fixed assets.*

In Consolidated Accounts:

1. *As on March 31, 2017, Fixed Assets include Intangible Assets aggregating to ₹721.65 Lacs (March 31, 2016 – ₹1,443.30 Lacs) under the head “Knowhow and New Brand Development” representing intangibles internally generated by the Holding Company through expenditure on advertisement and promotional expenses. Such recognition is not in accordance with Accounting Standard – 26 “Intangible Assets”. Had the Company complied with requirements of AS-26, Fixed Assets as at March 31, 2017 would have been lower by ₹721.65 Lacs (March 31, 2016 – ₹1,443.30 Lacs), Depreciation and amortisation expense for the year would be lower by ₹721.65 Lacs, Net profit after taxes and Reserves and Surplus would be lower by ₹ 471.90 Lacs.*
2. *As on March 31, 2017, Plant & Machinery having Net book value of ₹2,966.71 Lacs (March 31, 2016 ₹3,278.63 Lacs (Gross Book Value - ₹5,580.40 Lacs (March 31, 2016 ₹5,580.40 Lacs)) that are currently unutilized for over 4 years as on the balance sheet date, for which the management is evaluating alternative use and is of the view that no impairment is considered necessary at this stage. In absence of impairment assessment, we are unable to comment on recoverability of carrying value of such assets and consequent adjustment that may be required upon such assessment*
3. *In case of fixed assets, the Holding Company's internal financial controls around recording of fixed assets and timely identification, monitoring and reporting of non-usable fixed assets are operating in a manner that it may lead to delayed appropriate action / charge-off in the financial statements and consequently result in misstatement of the fixed assets.*

And the response of your Directors with respect to it as follows:-

Response on Audit Qualification 1:-

Up to 31/03/2013, the expenses incurred on brand promotion were capitalised as intangibles under the head “Knowhow and New Brand Development” since the brands were under establishment during that period. Effective year ended 31/03/2014, the Company adopted a policy of amortising these intangibles over a period of 5 years. During the year, ₹721.65 lacs has been recognised as depreciation and amortisation expense. Had the asset been fully expenses off as on 31/03/2017, Fixed Assets would have been lower by ₹721.65 lacs (31/03/2016 – ₹1,443.30 lacs), the depreciation and amortisation expense for

the year would have been lower by ₹721.65 lacs, Net profit after tax for the year and the Reserves and Surplus would have been lower by ₹471.90 lacs

Response on Audit Qualification 2:-

As on March 31, 2017, fixed assets include Plant and machinery valued at ₹2,966.71 lacs (Gross Book Value – ₹5,580.40 lacs) situated at Hissar, Haryana, which are currently unutilised since 4 years for which the Company is in the process of evaluating alternative use, and is confident that the value in use of these assets would be higher than the carrying value and therefore no impairment provision / realisable value assessment is required at this stage.

Response on Audit Qualification 3:-

The Company has a process of physically verifying the fixed assets in a periodical manner. However there are certain amount of un-used fixed assets, for which the company is in the process of evaluating options for making alternative use of the same.

COST AUDIT

The board subject to the approval of the Central Government, if required, has appointed M/s JSN & Co., Cost Accountants, having Firm's registration no. 455, its office at 462/1, 1st Floor, Old MB Road, Lado Sarai, New Delhi-110030, as Cost Auditor for conducting the Cost Audit for the financial year 2016-17. The audit committee recommended his appointment and remuneration. The Company has also received necessary certificate under Section 141 of the Act 2013 conveying his eligibility for re-appointment. The remuneration fixed by the board, based on the recommendation of the audit committee is required to be ratified by the members at the AGM as per the requirement of Section 148(3) of the Act 2013.

SECRETARIAL AUDIT REPORT

Secretarial Audit Report has been annexed herewith & forms part of the Annual Report.

PARTICULARS OF EMPLOYEES

Statement pursuant to u/s 197 (12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the particulars of top ten employees are as follows :-

Particulars of Top Ten Employees:

Name	Designation	Nature of Employment	Age	Date of Joining	Qualifications & Experience	Previous Employment	%age of Equity shares held	Remuneration Received
Ajay Kumar Swarup	Managing Director	Permanent	58	16-Jan-1993	PGDBM (33 years of experience)	M/s SVP Industries Ltd.	6.76%	10000000
Bhaskar Roy	Executive Director & COO	Permanent	54	04-Oct-2005	Mcom, FCA, PHD (29 years of experience)	M/s Saraya Industries Limited	0.00%	5248800
Ajay Goyal	Chief Financial Officer	Permanent	47	18-Mar-2015	CA (20 years of experience)	M/s Toyoda Gosei Minda India Pvt. Ltd.	0.00%	4218004
Manik Lal Dutta	Executive Director	Permanent	71	01-Aug-2006	M.Tech, PGDBM (45 years of experience)	M/s United Spirits Limited	0.007%	3525792
Shekhar Swarup	Joint Managing Director	Permanent	31	27-Oct-2008	Degree in Business & Management (8 years of experience)	N.A.	0.46%	7500000
Amitabh Singh	Vice President	Permanent	50	16-Apr-2013	B.Sc. Engineering (27 years of experience)	M/s Radico Khaitan Limited	0.00%	3236760
R.K. Malik	Sr. Vice President	Permanent	61	15-Aug-2000	MBA (40 years of experience)	M/s Golden Bottling	0.00%	3525792
Deepak Saroha	Vice President	Permanent	43	01-Jul-2007	BSc., PGDAT(over 15 years of experience)	M/s Radico Khaitan Ltd.	0.00%	2833991
Pankaj Tyagi	Vice President	Permanent	44	14-May-2015	BSc., PGDAT (22 years of experience)	M/s Brahamputra Biochem Pvt. Ltd.	0.00%	2943000
Jasbeer Singh	Vice President	Permanent	59	01-Oct-2014	BSc., MBA(over 15 years of experience)	N.A.	0.00%	3270000

Notes:

1. The percentage of equity share holding mentioned as above is as on 31st March 2017.
2. None of the Directors or employees are inter related to each other except Sh. Ajay K. Swarup, Managing Director of the company is the father of Sh. Shekhar Swarup, Joint Managing Director of the company.

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

Particulars as required under Rule 8 (3) of the Companies (Accounts) Rules, 2014 are given in Annexure I and form part of this report.

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

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

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013, with respect to Directors Responsibility Statement, it is hereby confirmed

1. That in preparation of the Annual Accounts for the financial year 2016-17, the applicable Accounting Standards have been followed along with explanation relating to material departures, if any.

2. That the Directors have selected such accounting policies and applied them consistently and 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, 2017 and of the results of the Company for that period.
3. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the directors had prepared the Annual Accounts for the financial year 2016-17 on a going concern basis.
5. That they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly ; and
6. That they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return as provided under Sub-Section (3) of Section 92 of the Companies Act, 2013 (the “Act”) is enclosed at Annexure-III in the prescribed form MGT-9 and forms part of this Report.

NUMBER OF MEETINGS OF THE BOARD

4 meetings of the Board of Directors of the Company were held during the year. For detail of the meetings, please refer to the Corporate Governance Report, which forms part of this Report.

AUDIT COMMITTEE

Composition and other details pertaining to Audit Committee has been disclosed in the Corporate Governance Report

INDEPENDENT DIRECTORS' DECLARATION

Mr. Santosh Kumar Bishwal, Mr. Joginder Singh Dhamija, Mr. Kunal Agarwal and Mr. Vivek Gupta, who are Independent Directors, have submitted a declaration that each of them meets the criteria of independence as provided in Sub-Section (6) of Section 149 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, there has been no change in the circumstances which may affect their status as independent director during the year.

POLICY OF DIRECTORS' APPOINTMENT AND REMUNERATION

Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178(3) of the Act are covered in Corporate Governance Report which forms part of this Report. Further, information about elements of remuneration package of individual directors is provided in the extract of Annual Return as provided under Section 92(3) of the Act, is enclosed at Annexure-III in the prescribed form MGT-9 and forms part of this Report.

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Directors and members of Senior Management have affirmed compliance with the Code of Conduct for Directors and Senior Management of the Company. A declaration to this effect has been signed by the Managing Director and forms part of the Annual Report.

RELATIONSHIP BETWEEN DIRECTORS INTER-SE

None of the Directors are related to each other within the meaning of the term “relative” as per Section 2(77) of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 except Sh. Shekhar Swarup (Joint Managing Director) is the son of Sh. Ajay Kumar Swarup (Managing Director) of the Company.

ANNUAL PERFORMANCE EVALUATION

The company has a mechanism for annual performance evaluation of every Individual Directors and the Board as a whole as well as its various committees

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

There have been no loans, guarantees and investments under Section 186 of the Act during the financial year 2015-16 except to its Wholly Owned Subsidiary M/s Unibev Limited (formerly known as M/s Uber Blenders & Distillers Limited).

TRANSACTIONS WITH RELATED PARTIES

The Company has entered into contract / arrangements with the related parties in the ordinary course of business and on arm's length basis. The details are mentioned in the notes to accounts of the financial statements. Policy on materiality of Related Party Transactions can be accessed on the company's website www.globusspirits.com.

INTERNAL CONTROL

The information about internal controls is set out in the Management Discussion & Analysis report which is attached and forms part of this Report.

RISK MANAGEMENT

The Company has a Risk Management Committee & also it has in place a Risk Management Policy to deal with various risks arising in the course of business. The key responsibilities of Risk Management Committee are namely, Identification of risks, Implementing and monitoring the risk management plan for the Company and reframe the risk management plan and policy as it may deem fit, lay down procedures to inform Board members about the risk assessment and minimization procedures, Monitoring and reviewing of the risk management plan from time to time and activities as may be required to be done under the Companies Act 2013 or listing Agreements with Stock Exchanges.

VIGIL MECHANISM

The Company has established a vigil mechanism for Directors and employees to report their genuine concerns.

PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES

The Wholly Owned Subsidiary of the Company M/s Unibev Limited (Formerly known as M/s Uber Blenders & Distillers Ltd.) has not yet commenced any Business operation and hence is yet to generate revenue. Financial position of each of the subsidiaries is provided in a separate statement AOC-1, attached to the Financial Statement pursuant to first proviso to Section 129(3) of the Act.

PARTICULARS OF REMUNERATION

The information required under section 197 of the Companies Act, 2013 and the rules made there under, in respect of employees of the Company, is follows :-

(a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company

Executive Directors	Ratio to the Median Remuneration*
Mr. Ajay Kumar Swarup	55.69
Mr. Shekhar Swarup	41.76
Mr. Manik Lal Dutta	19.63
Dr. Bhaskar Roy	29.23
Non-Executive Directors (Sitting Fees only)	
Sh. Santosh Kumar Bishwal	0.72
Sh. Joginder Singh Dhamija	0.89
Sh. Kunal Agarwal	0.50
Sh. Vivek Gupta	0.45
Ms. Ruchika Bansal	0.22

* for the purpose of comparison 12 months salary has been considered for all the employees even though any employee has worked for less than 12 months

(b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year

Name of the Person	% increase in Remuneration
Mr. Ajay Kumar Swarup (Managing Director)	23%
Mr. Shekhar Swarup (Executive Director)	79%
Mr. Manik Lal Dutta (Executive Director)	NIL
Dr. Bhaskar Roy (Executive Director)	NIL
Sh. Ajay Kumar Goyal (CFO)	3%
Sh. Santosh Kumar Pattanayak (Company Secretary)	7%

Place: New Delhi
Date: 11/08/2017

(c) The percentage increase in the median remuneration of employees in the financial year 8% (Since there is lot of variation in the no. of employees during the current year as compare to previous year, comparison of the exact median remuneration may not be accurate.)

(d) The number of permanent employees on the rolls of Company as on 31/03/2017: 412

(e) The average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average increase in salaries of employees other than managerial personnel in 2016-17 was 8% approximately. Percentage increase in the managerial remuneration for the year was also approximately 8%.

(f) The affirmation that the remuneration is as per the remuneration policy of the Company

The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through its compensation package, the Company endeavors to attract, retain, develop and motivate a high performance staff. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the remuneration policy of the Company.

PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON-EXECUTIVE DIRECTORS

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

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

Dr. Bhaskar Roy
Executive Director & COO
DIN-02805627

Santosh Kumar Pattanayak
Company Secretary
ACS-18721

Ajay K. Swarup
Managing Director
DIN-00035194

Ajay Goyal
Chief Financial Officer

Annexure I
to the Directors' Report 2016-17

Particulars required under Rule 8 (3) of the Companies (Accounts) Rules, 2014.

(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:

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

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

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

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

-As mentioned in point (a)

(B) Technology Absorption

FORM - B

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

- (i) The Company's plants are based on indigenous technology which has been fully absorbed.
- (ii) The Company does not have separate Research & Development Section. However, steps are being taken continuously for:

- a Improvement in product quality
- b Improvement in productivity
- c Improvement in cost effectiveness

(iii) Expenditure of R & DNil

(C) Foreign Exchange earnings & Outgo

	2016-2017	2015-2016
Foreign Exchange earnings (Export Sale)	INR 85.72 crores	INR 41.56 crores
Foreign Exchange used (Import of Machine)	INR 4.85 crores	INR 3.45 crores

For and on behalf of the Board of Directors

Dr. Bhaskar Roy
Executive Director & COO
DIN-02805627

Santosh Kumar Pattanayak
Company Secretary
ACS-18721

Ajay K. Swarup
Managing Director
DIN-00035194

Ajay Goyal
Chief Financial Officer

Place: New Delhi
Date: 11/08/2017

Annexure-II

Corporate Social Responsibility

Corporate Social Responsibility Policy – Overview

The Company has its CSR Policy within broad scope laid down in Schedule VII to the Act, as projects / programmes / activities, excluding activities in its normal course of business.

The Composition of the CSR Committee.

The constitution of the Corporate Social Responsibility (CSR) Committee is as under:-

Name of the Members	Designation	Designation in Company
Mr. Santosh Kumar Bishwal	Chairman	Independent Director
Mr. Joginder Singh Dhamija	Member	Independent Director
Mr. Shekhar Swarup	Member	Joint Managing Director
Dr. Bhaskar Roy	Member	Executive Director

Terms of reference of the CSR Committee are:

1. Formulate and recommend to the board, a CSR policy indicating the activity or activities to be undertaken by the company as specified in Schedule VII of the Act;
2. Recommend the amount to be spent on these activities; and
3. Monitor the company's CSR policy periodically.
4. Institution of transparent monitoring mechanism for the implementation of CSR projects.

Average net profit of the company for last three financial years : ₹9,42,82,563/-

Prescribed CSR Expenditure (two percent of the Average net profit) : `18,85,651/-

Details of CSR spent during the financial year. During the FY 2016-17, the company spent Rs.4lakhs in the following manner. The rest of the amount could not be spent because during the time period, the company was able to evaluate & undertake only one project of Encouraging Community participation by organising cleanups and other related events and activities in Dehradun (Uttarakhand) Region through an implementing agency M/s Waste Warriors, which is solely engaged for this purpose.

Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1	Encouraging Community participation by organising cleanups and other related events and activities.	Ensuring environmental sustainability	Dehradun (Uttarakhand)	₹ 4 lakhs	₹ 4 lakhs	₹ 4 lakhs	Through Implementing Agency M/s Waste Warriors

For and on behalf of the Board of Directors

Sd/-
(Dr. Bhaskar Roy)
Executive Director & COO

Sd/-
(Ajay K. Swarup)
Managing Director

Sd/-
(Santosh Kumar Bishwal)
Chairman-CSR Committee

Place: New Delhi

Date: 11/08/2017

Annexure-III

FORM NO. MGT 9

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

EXTRACT OF ANNUAL RETURN AS ON FY ENDED ON 31/03/2017

I REGISTRATION & OTHER DETAILS:

i	CIN	L74899DL1993PLC052177
ii	Registration Date	16th February 1993
iii	Name of the Company	M/s Globus Spirits Limited
iv	Category of the Company	Manufacturing & Marketing of Alcoholic Beverages
v	Address of the Registered office & contact details	
	Address :	F-0, The Mira Corporate Suites, Plot No.1&2, Ishwar Nagar
	Town / City :	Mathura Road, New Delhi - 110065
	State :	Delhi
	Country Name :	India
	Telephone (with STD Code) :	011-66424600
	Fax Number :	011-66424629
	Email Address :	corpoffice@globusgroup.in
	Website, if any :	www.globusspirits.com
vi	Whether listed company	Yes
vii	Name and Address of Registrar & Transfer Agents (RTA):-	
	Name of RTA :	M/s Link Intime India Private Limited
	Address :	44, Community Centre, 2nd Floor, Naraina Industrial Area
	Town / City :	Phase-1, Near PVR Naraina, New Delhi
	State :	Delhi
	Pin Code :	110028
	Telephone :	011-41410592
	Fax Number :	011-41410593
	Email Address :	delhi@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Potable Alcohol (RS/ENA/IMIL/IMFL) (UNDNATRD ETHYL ALCHL WTH<80% ALCHL STRNGTH;SPRTS ,LIQRS & OTHR SPRTOUS BVRGS;COMPND ALCHL PRPN FOR MNUFCTRE OF BVRGS)	2208	99.78%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	M/S Unibev Limited (Formerly known as M/s Uber Blenders & Distillers Limited)	U15122DL2014PLC273878	Subsidiary	100%	2 (87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	3609341	0	3609341	12.53%	3702859	0	3702859	12.86%	2.59%
b) Central Govt	0	0	0	0%	0	0	0	0%	0.00%
c) State Govt(s)	0	0	0	0%	0	0	0	0%	0.00%
d) Bodies Corp.	12669723	0	12669723	43.99%	12669723	0	12669723	43.99%	0.00%
e) Banks / FI	0	0	0	0%	0	0	0	0%	0.00%
f) Any other	0	0	0	0%	0	0	0	0%	0.00%
Sub-total (A) (1):-	16279064	0	16279064	56.52%	16372582		16372582	56.85%	
(2) Foreign									
a) NRI - Individual/	0	0	0	0.00%	0	0	0	0%	0%
b) Other - Individual/	0	0	0	0.00%	0	0	0	0%	0%
c) Bodies Corp.	0	0	0	0.00%	0	0	0	0%	0%
d) Banks / FI	0	0	0	0.00%	0	0	0	0%	0%
e) Any Others	0	0	0	0.00%	0	0	0	0%	0%
Sub-total (A) (2):-	0	0	0	0.00%	0	0	0	0%	0%
Total shareholding of Promoter (A)=	16279064	0	16279064	56.52%	16372582	0	16372582	56.85%	
(A)(1)+(A)(2)									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Banks / FI	51874	0	51874	0.18%	71898	0	71898	0.25%	38.60%
c) Central Govt	0	0	0	0.00%	0	0	0	0%	0.00%
d) State Govt(s)	0	0	0	0.00%	0	0	0	0%	0.00%
e) Venture Capital Funds	0	0	0	0.00%	0	0	0	0%	0.00%
f) Insurance Companies	0	0	0	0.00%	0	0	0	0%	0.00%
g) FIs	0	0	0	0.00%	0	0	0	0.00%	0.00%
h) Foreign Venture Capital	0	0	0	0.00%	0	0	0	0%	0.00%
i) Others (specify)	0	0	0	0.00%	0	0	0	0%	0.00%
Sub-total (B)(1):-	51874	0	51874	0.18%	71898	0	71898	0.25%	
2. Non-Institutions									
a) Bodies Corp.	920661	0	920661	3.20%	1033054	0	1033054	3.59%	12.21%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	4931869	321	4932190	17.13%	4714655	1321	4715976	16.37%	-4.38%
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	711959	0	711959	2.47%	795096	0	795096	2.76%	11.68%
c) Others (specify)									
Clearing Member	226843	0	226843	0.78%	264750	0	264750	0.92%	16.71%
NRI (Repat)	343099	0	343099	1.19%	245257	0	245257	0.85%	-28.52%
NRI (Non-Repat)	68582	0	68582	0.25%	57034	0	57034	0.20%	-16.84%
Foreign Companies	5038168	0	5038168	17.49%	5038168	0	5038168	17.49%	0.00%
Others	226828	0	226828	0.78%	205453	0	205453	0.71%	-9.24%
Sub-total (B)(2):-	12468009	321	12468330	43.29%	12353467	1321	12354788	42.89%	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	12519883	321	12520204	43.47%	12425365	1321	12426686	43.14%	
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00%	0	0	0	0.00%	0%
Grand Total (A+B+C)	28798947	321	28799268	100%	28797947	1321	28799268	100%	

ii Shareholding of Promoters & Promoters group

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2016)			Share holding at the end of the year (31.03.2017)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Chandbagh Investments Limited	12130869	42.12%	0%	12130869	42.12%	0%	0.00%
2	Ajay Kumar Swarup	1886561	6.55%	0%	1949218	6.77%	0%	3.32%
3	Anoop Bishnoi	1619820	5.62%	0%	1619820	5.62%	0%	0.00%
4	Globus Infosys Pvt. Ltd.	538854	1.87%	0%	538854	1.87%	0%	0.00%
5	Jaroda Plantations Pvt. Ltd.	0	0.00%	0%	0	0.00%	0%	0.00%
6	Shekhar Swarup	102600	0.35%	0%	133461	0.46%	0%	30.08%
7	Bhupendra Kumar Bishnoi	90	0.00%	0%	90	0.00%	0%	0.00%
8	Roshni Bishnoi	90	0.00%	0%	90	0.00%	0%	0.00%
9	Madhav Kumar Swarup	60	0.00%	0%	60	0.00%	0%	0.00%
10	Madhavi Swarup	60	0.00%	0%	60	0.00%	0%	0.00%
11	Saroj Rani Swarup	60	0.00%	0%	60	0.00%	0%	0.00%
	TOTAL	16279064	56.32%	0%	16372582	56.85%	0%	

iii Change in Promoters' Shareholding

During the year, the holding of Mr. Ajay Kumar Swarup has been increased by 62657 shares and the said shares has been purchased through open market in various transactions.

Further during the year, the holding of Mr. Shekhar Swarup has been increased by 30861 shares and the said shares has been purchased through open market in various transactions.

iv Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.: 1 For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01/04/2016)		Change in Shareholding during the year		Shareholding at the end of the year (31/03/2017)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
TEMPLETON STRATEGIC EMERGING MARKETS FUND IV LDC	5038168	17.49%	0	0.00%	5038168	17.49%
IL AND FS SECURITIES SERVICES LIMITED	8380	0.03%	194509	0.68%	202889	0.70%
PRADIP NAVNITLAL MUCHHALA	93568	0.32%	4295	0.01%	97863	0.34%
DIGVIJAY COMMERCE AND TRADING PVT. LTD.	155978	0.54%	-70660	-0.25%	85318	0.30%
C D INTEGRATED SERVICES LIMITED	39997	0.14%	40871	0.14%	80868	0.28%
AJAY RAMESH CHANDRA GARG	70000	0.24%	0	0.00%	70000	0.24%
SHREE BALLABH BHAIYA	0	0.00%	65000	0.23%	65000	0.23%
ICICI BANK LIMITED	43978	0.15%	16974	0.06%	60952	0.21%
ROHAN S SHAH	0	0.00%	59935	0.21%	59935	0.21%
SUNIL DUGGAL	0	0.00%	52798	0.18%	52798	0.18%

The above details are given as on 31 March, 2017. The Company is listed and 99.99% shareholding is in dematerialized form. Hence, it is not feasible to track movement of shares on daily basis. The aforesaid holdings by top ten shareholders is due to market operations. Further, Company has not allotted/transferred or issued any bonus or sweat equity shares during the year.

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Lacs)

Indebtedness at the beginning of the financial year (01.04.2016)	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	25,294.74	0	0	25294.74
ii) Interest due but not paid	0	0	0	0
Total (i+ii+iii)	25294.74	0	0	25294.74
Change in Indebtedness during the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
* Addition	1,898.66	0	0	1898.66
* Reduction	0	0	0	0
Net Change	1,898.66	-	-	1,898.66
Indebtedness at the end of the financial year (31.03.2017)	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	27,193.40	0	0	27193.40
ii) Interest due but not paid	0	0	0	0
Total (i+ii+iii)	27,193.40	-	-	27,193.40

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Lacs)

Sl. no.	Particulars of Remuneration	Sh. Ajay Kumar Swarup	Sh. Shekhar Swarup	Sh. Manik Lal Dutta	Dr. Bhaskar Roy	Total Amount (in Lacs)
		Managing Director	Executive Director	Executive Director	Executive Director & COO	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	92.98	68.16	36.80	57.81	255.75
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	92.98	68.16	36.80	57.81	255.75

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount (Rs. in lacs)
		Sh. Santosh Kumar Bishwal	Sh. Joginder Singh Dhamija	Sh. Vivek Gupta	Sh. Kunal Agarwal	
1	Independent Directors					
	Fee for attending board committee meetings	1.30	1.60	0.80	0.90	4.60
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	1.30	1.60	0.80	0.90	4.60
2	Other Non-Executive Directors	Ms. Ruchika Bansal				
	Fee for attending board committee meetings	0.40				0.40
	Commission					
	Others, please specify					
	Total (2)	0.40				0.40
	Total (B)=(1+2)	1.70	1.60	0.80	0.90	5.00
	Total Managerial Remuneration					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	13.44	39.04	52.48
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	13.44	39.04	52.48

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the year there was no penalty/punishment/compounding of offences has been executed against the company nor any of its directors/KMPs

Secretarial Audit Report

For the financial year ended 31March, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Globus Spirits Limited
CIN: L74899DL1993PLC052177

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Globus Spirits Limited (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- The Companies Act, 2013 (“the Act”) and the rules made thereunder , as applicable;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), wherever applicable :-
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and/or the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - The Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act 2013 and dealing with client;

- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and;
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by the Institute of Company Secretaries of India.
- The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except wherever a meeting was duly called on shorter notice as per the prescribed procedure, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has not undertaken such events as public or rights or preferential issue of shares, debentures or sweat equity; redemption or buy-back of securities; major decisions by the Members in pursuance to Section 180 of the Companies Act, 2013; merger, amalgamation or reconstruction; Foreign Technical Collaboration or any other like event(s)/action(s) having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, et cetera.

For **SKP & Co.**
Company Secretaries

(**CS Sundeep K. Parashar**)
M. No. : FCS 6136
C.P. No. : 6575

Place: Vaishali
Date: 11.08.2017

Annexure -A

To,
The Members,
Globus Spirits Limited
CIN: L74899DL1993PLC052177

Our report of even date is to be read along with this letter. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

1. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
2. We have not verified the correctness and appropriateness of financial record and Books of Accounts of the Company.
3. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility

of management. Our examination was limited to the verification of procedure on test basis.

5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **SKP & Co.**
Company Secretaries

(**CS Sundeep K. Parashar**)
M. No. : FCS 6136
C.P. No. : 6575

Place: Vaishali
Date: 11.08.2017

FORM-AOC-1

Statement containing salient features of the financial statement of subsidiaries

Part "A": Subsidiaries

Particulars		Amount (in INR)
S.No.	Name of the Subsidiary	M/s Unibev Limited (formerly known as Uber Blenders & Distillers Limited)
1	Reporting Period	1st April 2016 - 31st March, 2017
2	Reporting Currency	Amount (in INR)
3	Share Capital	12,786,950
4	Reserves & Surplus	(10,784,813)
5	Total Assets	2,342,580
6	Total Liabilities	2,342,580
7	Investments	-
8	Turnover	-
9	Profit/(Loss) before taxation	(16,685,648)
10	Provision for taxation	-
11	Profit/(Loss) after taxation	(16,684,673)
12	Proposed Dividend	-
13	% of shareholding	100.00%

M/s Unibev Limited (formerly M/s Uber Blenders & Distillers Limited) is yet to commence the commercial operations.

Part "B": Associates and Joint Ventures

There are no Associates and Joints Ventures of the company

For and on behalf of the Board of Directors

Ajay K. Swarup
Managing Director
DIN-00035194

Manik Lal Dutta
Executive Director
DIN-00769308

Ajay Goyal
Chief Financial Officer

Bhaskar Roy
Executive Director & COO
DIN-02805627

Santosh Kumar Pattanayak
Company Secretary
ACS-18721

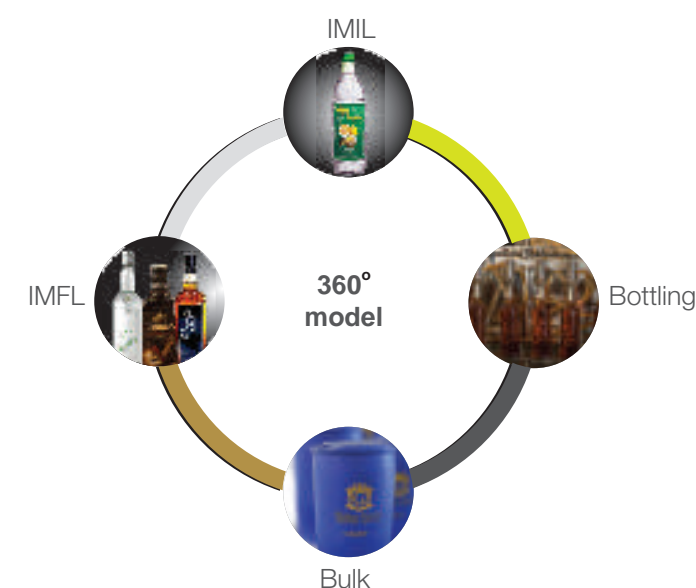
Place : New Delhi
Date : August 11, 2017



Management Discussion & Analysis

The year 2016 witnessed weak global growth with most of the major economies experiencing slowdown coupled with adverse impact of oil production cuts and Brexit. However, after a difficult 2016, the global economy is now showing signs of pickup driven by better growth prospects in both developed and developing economies though both IMF and OECD remain guarded in their predictions.

On the domestic front, fiscal year 2016-17 was a tumultuous one and especially for the liquor industry. While the year started on a good note with better monsoons, lower crude prices and lower inflation,



demonetization had a significant disruptionary impact on consumer spending. Consequently, India recorded a lower GDP growth at 7.1% versus the initial expectation.

Nonetheless, the Government's focus on policy measures such as GST, enhanced allocation to MNREGA, higher investment in infrastructure, digitization are expected to have a structural long term positive effect on the economy and will augur well from a private consumption perspective.

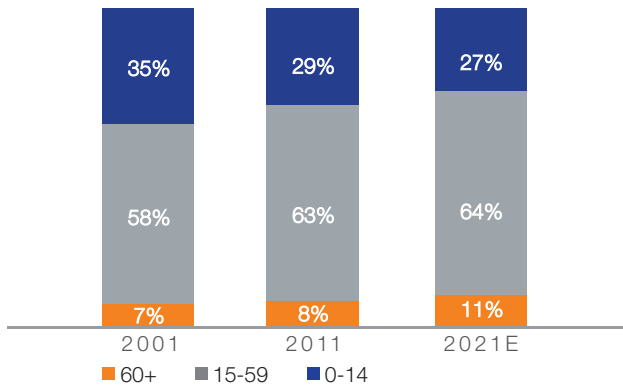
INDIAN SPIRITS INDUSTRY

The liquor industry was in a depressed state for most of 2016-17. Not only severely affected by liquor prohibition in Bihar, with other state governments showing a similar intent, this further dented industry sentiment. The Supreme Court ban on liquor shops within a certain distance of highways added to the industry woes. Alcohol being kept out of GST has raised concerns on cost pressures and the industry is still grappling to understand the possible impact.

Despite this backdrop, favourable demographic trends and structural positives in the Indian economy hold promise for the liquor consumption story in India in the medium to long term.

Amongst a multitude of demographic and socio-economic factors driving growth, India's young demographic profile and low level of alcohol penetration are key growth drivers for the sector. In 2020, India will have one of the youngest populations in the world with average age at 29, compared to 37 in China, 45 in Western Europe and 48 in Japan.

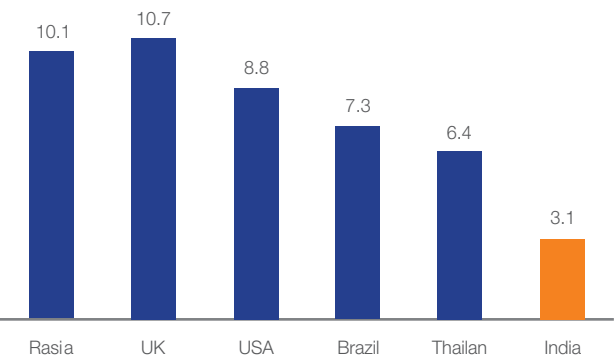
Increasing drinking age population



Source: State of Urban Youth 2012, Office of Registrar General 2006

India remains one of the most under-penetrated markets, indicating ample scope to grow further.

Per capita (15+ years) alcohol consumption In Bulk litre (2014)



Source: WHO; Estimate for India

The Indian Spirits industry consists of two distinctive markets differentiated on the basis of target audience, product characteristics and distribution network:

1. Indian Made Indian Liquor (IMIL)
2. Indian Made Foreign Liquor (IMFL)

On the basis of reported volumes, share of IMIL and IMFL in the spirits industry is 43% and 57% respectively.



Table1: Differences between IMIL and IMFL

	IMIL	IMFL
Likely Consumer Segment differs in size and status	Socio-economic D, comprising ~40% of population excluding below poverty line population	More affluent, socioeconomic sections C and upwards
Growth is more in sync with population growth	~11% CAGR for households with Household premiumness indes (HPI) * between 6-10 (~SEC D)	Higher growth in IMFL with increasing affluence in India: e.g. ~14%+ CAGR for households with HPI >10 (SEC C+)
Taste Preference	Local fruit flavor dominated market, varies with states	North India - Whisky, East India - Rum, South India - Brandy & Rum
Point of Purchase	State Government Regulated vends; Banned in Southern India, apart from dry states	Standalone retail outlets, department stores and Government owned shops in some states like Delhi
Excise Control	Highly regulated: Distillery must for selling in the state of sale Excise of ₹15 per Proof Litre	Less restricted than IMIL, but higher excise duties of minimum of ₹40 per Proof Litre
Alcohol Content	~30% on average Earliermade from Rectified Spirits, now increasingly trending towards ENA	42.8% IMFL is made from ENA (higher purity 96%)
Min Retail Price	₹30-40 per nip (smallest size)	Starts from ₹80 per nip (economy brands)
Brand Loyalty	Low with high distributor power and price sensitive consumer; now changing in line with increasing brand consciousness	High with multiplicity of purchase options and more affluent consumer

IMIL Industry

Despite healthy growth in Rajasthan and Uttar Pradesh, the IMIL market witnessed a decline in volumes to the tune of ~8% in 2016-17, to close at ~240mn cases. The decline was largely due to prohibition in Bihar; on a like to like basis the growth would otherwise have been low single digit (~2%). This is an internal estimate based on a combination of data from state excise departments and other necessary growth assumptions. This market segment has high degree of under-reporting; hence the actual market could be much higher.

IMIL is evolving from a restricted quota-based, commoditized market to a consumer driven brand based industry. The main attractiveness of this market lies in its sizable base, comprising SEC-D and below which could translate into ~40% of total population (excluding Below Poverty Line).

The growth in this segment is expected to be driven by growing consumer base, rising rural incomes and consumption, conversion from illicit/ toddy to IMIL with increasing awareness about health and quality, conducive regulatory policies and aided by growth in population.

WHO, in 2010, estimated the illicit and unreported segment at ~75%of the reported market. Though this percentage may have reduced since then, it would still be sizable representing a large opportunity for the IMIL industry. The State Governments are expected to play an important role in this conversion. While they are developing the organized IMIL market to prevent hooch tragedies, the excise revenue potential is also significant.

IMFL Industry

After experiencing rapid growth during 2001 to 2011 period, growth in the IMFL segment slowed down significantly and has been flat for the last two years. The mass segment has borne the brunt with volumes declining though this has been partly offset by growth in the premium segment.

Nonetheless, the market at present is still dominated by strong national brands at low price points.

The 300+ million cases market is undergoing a transformation with newer entrants, challenging the traditional labels and more so in the higher price points. There are high potential niche opportunities that are emerging in the space.

Business Overview

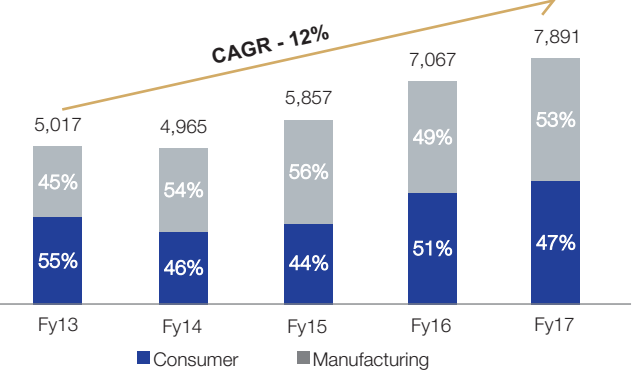
In fiscal year 2016-17, your company posted revenues of ₹789.1 crore up from ₹706.7 crore in the previous year, translating to healthy revenue growth at 12%. EBITDA was at ₹60.6 crore down from ₹73.7 crore in fiscal year 2015-16 and net profit after tax was at ₹9.0 crore down from ₹12.5crore. The growth was led by manufacturing vertical which was boosted by commissioning of the greenfield plants in West Bengal and Bihar in latter part of the financial year. Profitability was impacted by higher overheads at the new facilities which were in the initial stabilization phase as well as higher than normal inflation in raw material prices.

The manufacturing vertical experienced healthy growth with share in revenues increasing from 49% to 53% to reach ₹416.7 crore, translating to growth of 19.4%. The consumer

business, impacted by Bihar prohibition,grew at 4% to reach ₹372.5 crore in revenue. Due to relatively lower growth, its share in revenues declined from 51% to 47% during the financial year.

Commissioning of the new facilities added ~60 million litres to the distillation capacity, translating to combined capacity of 150 million litres. While the plants' commissioning was gratifying, the sense of joy was shortlived with Bihar government notifying that manufacturing licenses will not be renewed fiscal year 2017-18 onwards. Your company along with other distilleries approached the judicial system to contest the regulation.The Honorable High Court at Patna has given a favorable judgment against this law for filing renewal of distillery license application and has also directed the Bihar State Government to consider our renewal as well as renewal of other distilleries in accordance with the requirement of law. The Supreme Court has upheld the High Court decision.

Revenue Breakup (₹ Crore)



Manufacturing Business

The manufacturing business revenue, comprising (a) bulk alcohol manufacturing and (b) franchisee IMFL (third party bottling), grew by 19.4% to reach ₹416.7 crore during FY2016-17.

The bulk alcohol division is the backbone of your company's 360° business model and provides high quality Extra Neutral Alcohol to the other divisions, ensuring a sustainable competitive advantage. During the year, bulk alcohol production was at 8.8 crore litres up from 7.7 crore litres in the previous year, however, capacity utilization was lower at 82% lower than 86% in the previous year. This is attributable to addition of new capacities in West Bengal and Bihar which were in a stabilization phase. ~45% of the production was used for consumer business and franchisee bottling, balance remaining thereafter was sold externally.

Bulk alcohol revenues grew by 17% to reach ₹205.1 crore driven by volume growth at ~10% and 6% increase in realization.

The by-product revenue growth dipped to 2% as DDGS, a value added by-product, recorded lower realizations on account of decline in soya prices, the primary protein source used by animal feed industry.The market prospects for DDGS remain promising and while offtake is not a concern, prices will remain volatile due to linkage to soya which is an agricultural commodity.

Franchisee IMFL volumes dipped slightly over the previous year largely due to decline in volumes at customer end. Franchise volumes stood at 33 lakh cases down from 34 lakhs in the previous year. The IMFL industry is undergoing a transformation wherein lower price point products are witnessing a decline and also the larger IMFL companies like United Spirits are shifting their focus to high value, lower volume, premium products.This has a direct impact on the franchisee business. Your company's relationships with its customers remain strong backed by robust quality management and performance reporting systems which coupled with captive high quality Extra Neutral Alcohol (ENA) gives unmatched value to top IMFL companies.

Your Company has bottling contracts with ABD India in the state of Rajasthan and with United Spirits in the states of Haryana and West Bengal to manufacture their flagship brands. The West Bengal bottling unit was commissioned in fiscal year 2016-17.

Consumer Business

The consumer business largely comprising Indian Made Indian Liquor reported 4% growth in FY 2016-17 to reach revenues of ₹372.5 crore. This was despite nil revenues from Bihar following prohibition in the state. In the previous year, Bihar had recorded ₹40.2 crore in IMIL revenues. Haryana and Rajasthan states delivered a strong performance in IMIL to offset this loss of revenue–Haryana posted an increase of 22% and Rajasthan revenues increased by18%.

The growth in these markets was a combination of industry level growth, new brand launches, and aggressive sales efforts to improve market share. In Rajasthan, we improved our market share from 28% to 30% while in Haryana this grew from 11% to 13%.

During the year, we launched our IMIL brand 'Goldee' on a test basis, the response was very encouraging and in the current fiscal year 2017-18, we will be launching new variants under the same brand.

Your company is amongst the largest IMIL players having ~5% market share all-India. Through its efforts to reinvent a traditional and commoditized market, it has established itself as a leading player in all three states in which it has operated historically– Haryana, Rajasthan and Delhi. With competitive intensity increasing, your Company has decided to focus on building strong brands with unique value proposition for the bottom of the pyramid consumer. It pioneered branding in IMIL in 2011 with the launch of Nimboo. The pre-launch efforts in developing an innovative product with differentiated packaging and building a cohesive communication strategy showed immediate results with the product becoming an instant success.

Your company has double digit market shares in Rajasthan, Haryana and Delhi and is also the largest private IMIL company in Rajasthan (with 30% market share) and second largest player in Haryana.

The consolidated IMIL sale stood at 11.8 million cases in FY2016-17.

IMIL Brand Portfolio



Nimboo

1st IMIL brand in India positioned as awesome mix of natural lemon flavor with strong yet smooth blend profile



Narangi

Popular dark spirits' brand

Positioned as refreshing and juicy as Orange



Goldee

1st mixed fruits blend in IMIL Latest launch

Smooth palette with an explosion of mixed fruits flavour in its aftertaste. A refreshing blend inspired by the local fruits of Haryana, now being relaunched in West Bengal.



Heer Ranjha

Tribute to the most popular romantic tales of the region. Smooth blend to enjoy straight up.



Ghoomer

Tribute to Rajasthani folk dance ; Blend popular in the harsh winter months of the desert region

Your Company has decided to re-orient its IMFL strategy in line with the 'premiumization' trend in the industry and has consequently exited/ rationalized its current brand portfolio which was focused on 'regular'/ economy products. New brand launches would be in niche categories, low volume and high growth.

East India Expansion

Your Company aims to become a Pan-India spirits company by providing innovative products and building brands that offer a unique value proposition.

The Eastern states are not only high bulk alcohol deficit states but are amongst the fastest growing IMIL markets in India providing an excellent platform for your company's 360° model.

Your company has already commissioned Greenfield facilities in West Bengal and Bihar and also launched its IMIL brand in West Bengal.

Financial Highlights

- Revenues at ₹ 789.1 crore, up by 12% y-o-y
- EBITDA at ₹60.6crore with EBITDA margin of 7.7%
- PAT at ₹ 9.0 crore, with margin of 1.1%. Impacted by accelerated amortization of ₹7.2 crore on Intangible assets

Environmental Compliance

Your Company is a zero waste water 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 brining air discharge to within permissible limit. Following are the steps we have undertaken 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

Achieved through the following steps

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 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.

Water Management

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 was 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 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 line with the requirements of government regulations we would look at the waste as cost center and are looking at alternative markets in the cattle feed segment for its best disposal at the best price. 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 would be launching further brands in the future to build our market.

Risk Management

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

strives to develop appropriate risk mitigation measures for the same. To enhance this focus, your company has formed a Risk Management Committee to frame, implement and monitor risk management plan.

Internal Control Systems

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

Human Capital Overview

Your Company considers human capital a core area for sustainable growth and has been making conscious efforts to engage and develop human capital at all levels. The Human Resource Department of your Company is highly focused on enhancing stakeholder value by ensuring a fit between the management of an organization's employees, and the overall strategic direction of the company. Over the years your Company has been able to build a team of qualified, dedicated & motivated professionals. The working atmosphere provided to the employees is aimed at creating a sense of ownership which helps them to shoulder greater responsibilities. As on 31st March 2017, the employee (excluding casual) count for the company stood at 412 compared to 298 on 31st March 2016.

Disclaimer

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

Report on Corporate Governance

for the year ended 31 March, 2017

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 stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the below mentioned period are as under:

- Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from April 01, 2016 to March 31, 2017.

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

1.1 Key Board activities during the year

The Board provides and critically evaluates strategic direction of the Company, management policies and their effectiveness. Their main function is to ensure that long-term interests of the stakeholders are being served. The agenda for Board's review / strategic review includes a detailed analysis and review of annual strategic and operating plans and capital allocation and budgets. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for future growth of the

Company. Voluntary Corporate Governance Guidelines of the Ministry of Corporate Affairs, Government of India broadly outlines a framework for corporate sector on important parameters like appointment of directors, guiding principles to remunerate directors, responsibilities of the Board, risk management, the enhanced role of Audit Committee and conduct of Secretarial Audit.

1.2 Role of the Company Secretary in Overall Governance Process

The Company Secretary ensures that all relevant information, details and documents are made available to the directors for effective decision making at the meetings. He is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the Company and the regulatory authorities.

1.3 Selection and Appointment of New Directors on the Board

Considering the requirements of the skill-sets on the Board, eminent persons having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee for appointment of new Directors on the Board. The number of directorships and memberships in various committees of other companies by such persons is also considered.

1.4 Familiarization Program of Independent Directors

The Independent directors of our Company are eminent personalities having wide experience in the field of business, finance, education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions. Independent Directors with management expertise and wide range of experience are appointed as per the Governance guidelines of the Company. The new Board members are also requested to access the necessary documents / brochures, Annual Reports and internal policies available at our website (www.globusspirits.com)

to enable them to familiarize with the Company's procedures and practices. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Independent Directors.

1.5 Prevention of Insider Trading

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015; Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices' for prevention of insider trading is in place. The objective of the Code is to prevent purchase and / or sale of shares of the Company by an insider on the basis of unpublished price sensitive information. Under this Code, Designated persons (Directors, Advisors, Officers and other concerned employees / persons) are prevented from dealing in the Company's shares during the closure of Trading Window. All the designated employees are also required to disclose related information periodically as defined in the Code. The aforesaid Code is available at the website of the Company (www.globusspirits.com).

1.6 Vigil Mechanism

Your Company has established a mechanism called 'Vigil Mechanism' for directors and employees to report to the appropriate authorities of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy and provides safeguards against victimization of employees who avail the mechanism. The policy permits all the directors and employees to report their concerns directly to the Management/Chairman of the Audit Committee of the Company. The policy has been communicated to the employees by uploading the same on the website of the Company (www.globusspirits.com). The employees can directly contact on the email address as mentioned in the 'Vigil Mechanism Policy' uploaded at the website of the Company.

BOARD OF DIRECTORS

Composition

The Board of Directors of the Company consists of an optimal mix of Executive and Non-Executive & Independent Directors who have in-depth knowledge of business, in addition to expertise in their areas of specialization. The Directors bring in expertise in the fields of 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.

The present Board consisted of 11 Directors comprising the Chairman being Non-Executive- Independent Director, one Managing Director, four Executive cum whole-time Directors, three Independent Directors, one Non-Executive Director and one non-executive-woman director. 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 Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company issued letter of appointment to the Independent Director as per Schedule IV to the Companies Act, 2013 and the terms and conditions of their appointment have been disclosed on the website of the Company (www.globusspirits.com).

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

Board Functioning & Procedure

Globus Spirits Ltd. 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 Ltd. 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 Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

The Company is under the process of development and implementation of the plans for orderly succession for appointment to the Board of Directors and to senior management.

During the financial year 2016-17, 4(Four) Board Meetings were held on May 27, 2016, August 09,2016, November 12, 2016 and February 02, 2017. The maximum gap between any two Board Meetings was less than one hundred and twenty days. All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed underPart A of Schedule II of Regulation17of the Listing Regulations. During the year, separate meeting of the Independent Directors was held on November 12, 2016 without the attendance of non-independent directors and members of the management.

The Company has proper systems to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.

The Composition of Board of Directors as on March 31, 2017, attendance during the year at the Board meetings and the last Annual General Meeting, Number of other Directorships, Committee memberships and Chairmanships held by them are given below:

Director	No. of Shares held as on March 31, 2017	Category of Director	Attendance		No. of other Directorships and Committee Memberships / Chairmanships held ⁵		
			Board Meetings during the Financial Year 2016-17	Last AGM on September 26, 2016	Director-ships	Committee Member-ships	Committee Chairman-ships
Sh. Vivek Gupta	Nil	NE-I-C	4	Yes	7	1	1
Sh. Ajay K. Swarup	1,949,218	MD-P	3	Yes	7	1	-
Sh. Shekhar Swarup	133,461	E-P	4	No	5	-	-
Sh. Manik Lal Dutta	2,100	E	3	Yes	-	-	-
Dr. Bhaskar Roy	100	E	4	Yes	3	-	-
Sh. Joginder Singh Dhamija	Nil	NE-I	4	Yes	-	-	-
Sh. Santosh Kumar Bishwal	Nil	NE-I	3	Yes	2	-	-
Sh. Kunal Agarwal	Nil	NE-I	4	No	-	-	-
Sh. Rajesh Sehgal*	Nil	NE- N	4	Yes	1	1	-
Ms. Ruchika Bansal	Nil	NE-N-W	4	No	-	-	-
Mr. Richard Piliero *	Nil	NE- N	N.A.	N.A.	-	-	-
Mr. Vijay Kumar Rekhi *	Nil	E	N.A.	N.A.	1	1	-

C = Chairman, MD = Managing Director, E = Executive, NE= Non-Executive Director, P = Promoter, I = Independent, N-Nominee Director, W-Woman Director

\$ Represents Directorships and Committee Memberships/Chairmanships in Indian Public Limited Companies only and it only covers the Membership/Chairmanship of Audit Committee and Stakeholders Relationship Committee.

* Mr. Rajesh Sehgal has resigned from the Board of Directors of the Company w.e.f. 10th April 2017. Mr. Richard Piliero has been inducted in the Board of Directors of the Company w.e.f. 10th April 2017. Mr. Vijay Kumar Rekhi has been inducted in the Board of Directors of the Company w.e.f. 19th May 2017.

Private Limited Companies, Foreign Companies and companies under Section 8 of The Companies Act, 2013 are excluded for the above purposes.

Sh. Shekhar Swarup, the Executive Director of the Company is the son of Sh. Ajay K. Swarup, the Managing Director of the Company and none of the other director is related to inter-se with any other Director on the Board in terms of the definition of "relative" given under the Companies Act, 2013.

Directors seeking re-appointment: As required by Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, details of Directors seeking re-appointment / appointment are forming part of the notice of 24thAnnual General Meeting.

CODE OF CONDUCT & CODE OF ETHICS

The Board of Directors has adopted the Code of Conduct and Ethics for Directors and Senior Management personnel. The Code is available 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 March 31, 2017, all Board members and Senior Management Personnel have affirmed compliance with the code of Conduct for Directors and Senior Management respectively.

Sd/-
Ajay K. Swarup
Managing Director
DIN – 00035194

August 11, 2017

3. AUDIT COMMITTEE

BROADTERMS OF REFERENCE

The terms of reference of this Committee covers the matters specified for Audit Committee under Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as in Section 177 of the Companies Act, 2013.

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

- i. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- ii. review and monitor the auditor's independence and performance, and effectiveness of audit process;
- iii. examination of the financial statement and the auditors' report thereon;
- iv. approval or any subsequent modification of transactions of the Company with related parties;
- v. scrutiny of inter-corporate loans and investments;
- vi. valuation of undertakings or assets of the Company, wherever it is necessary;
- vii. evaluation of internal financial controls and risk management systems;
- viii. monitoring the end use of funds raised through public offers and related matters;
- ix. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in (i) to (viii) above or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company;
- x. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
- xi. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- xii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- xiii. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions;and
 - (g) Qualifications in the draft audit report
- xiv. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- xv. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- xvi. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xvii. Reviewing the adequacy of internal audit, reporting structure, coverage and frequency of internal audit;
- xviii. Discussion with internal auditors of any significant findings and follow up there on;
- xix. Reviewing the findings of any internal investigations by the internal auditors into matters where there is

suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

- xx. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xxi. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xxii. To review the functioning of the Whistle Blower/Vigil mechanism. Chairperson of the Audit Committee shall be directly accessible in appropriate or exceptional cases;
- xxiii. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- xxiv. Carrying out any other function as may be required by the Companies Act, 2013, rules made thereunder and Listing Agreements with the Stock Exchanges or otherwise referred by the Board from time to time; and
- xxv. The Audit Committee shall mandatorily review the following information :
 - a) Management discussion and analysis of financial condition and results of operations;
 - b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
 - c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d) Internal audit reports relating to internal control weaknesses; and
 - e) The auditors of the Company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.

COMPOSITION

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

S. No.	Name of Member	Designation in Committee	Designation in Company
1	Sh. Santosh Kumar Bishwal	Chairman	Independent Director
2	Sh. Joginder Singh Dhamija	Member	Independent Director
3	Sh. Kunal Agarwal	Member	Independent Director
4	Sh. Rajesh Sehgal*	Member	Non-Executive Director
5	Sh. Shekhar Swarup	Member	Joint Managing Director
6	Sh. Vivek Gupta	Member	Independent Director
7	Sh. Richard Piliero*	Member	Non-Executive Director

* Sh. Rajesh Sehgal has resigned from the Audit Committee w.e.f. 10th April 2017 and Sh. Richard Piliero have been inducted in Audit Committee w.e.f. 10th April, 2017.

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

During the Financial Year 2016-17, 4 (Four) Audit Committee Meetings were held on May 27, 2016, August 09,2016, November 12, 2016 and February 02, 2017. The attendance of Audit Committee meeting is as follows:

Members	Designation	No. of Meetings attended
Sh. Santosh Kumar Bishwal	Chairman	3
Sh. Joginder Singh Dhamija	Member	4
Sh. Rajesh Sehgal	Member	4
Sh. Kunal Agarwal	Member	4
Sh. Shekhar Swarup	Member	4
Sh. Vivek Gupta	Member	3

4. NOMINATION AND REMUNERATION COMMITTEE

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

- a) Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- b) The Committee shall formulate criteria for determining qualifications, positive attributes and independence of a director;
- c) Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees and while formulating such policy, the committee shall ensure that:

- i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- d) Formulate criteria for evaluation of Independent Directors and the Board;
- e) Devise a policy on Board diversity;
- f) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- g) To fix the Salary and Perquisites of Executives of the Company;
- h) 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;
- i) To consider the profits of the Company and to decide about the adequacy of profits of the Company;
- j) 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 Schedules of the Companies Act;
- k) To approve the remuneration payable to the managerial personnel of the Company in case of inadequacy of the profits; and
- l) To take all other consequential and incidental action and measure.

Details of Directors Remuneration:

The details of remuneration paid to the Managing/Executive/Whole-time Directors of the Company during the financial year ended March 31, 2017 are as under:

S. No.	Name	Designation	Fixed Salaries & Allowance (₹)	Variable Portion (₹)	Other Benefits (₹)	Commission (₹)	Total (₹)
1.	Sh. Ajay K. Swarup	Managing Director	82,39,992	10,58,000	Nil	Nil	92,98,492
2.	Sh. Manik Lal Dutta	Executive Director	34,45,872	2,34,130	Nil	Nil	36,80,002
3.	Sh. Shekhar Swarup	Joint Managing Director	60,00,000	8,15,959	Nil	Nil	68,15,959
4.	Dr. Bhaskar Roy	Executive Director	50,95,236	6,85,844	Nil	Nil	57,81,080

COMPOSITION

The constitution of the Nomination and Remuneration Committee is as under:-

S. No.	Name of Member	Designation in Committee	Designation in the Company
1	Sh. Joginder Singh Dhamija	Chairman	Independent Director
2	Sh. Santosh Kumar Bishwal	Member	Independent Director
3	Sh. Rajesh Sehgal*	Member	Non-Executive Director
4	Sh. Richard Piliero*	Member	Non-Executive Director

* Sh. Rajesh Sehgal has resigned from the Nomination & Remuneration Committee w.e.f. 10th April 2017 and Sh. Richard Piliero have been inducted in Nomination & Remuneration Committee w.e.f. 10th April, 2017

Remuneration Policy:

This Remuneration Policy relating to remuneration for the directors has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors.

a) Payment Terms for Executive Directors

- Salary not to exceed limits prescribed under the Companies Act, 2013.
- Revision from time to time depending upon performance of the Company, individual Director's performance and prevailing Industry norms.
- No sitting fees.

b) Payment Terms for Non-Executive Directors

- Sitting fees not to exceed limits prescribed under the Companies Act, 2013.
- The remuneration payable to Non - Executive Directors is decided by the Board of Directors.

During the Financial Year 2016-17, 2 (Two) Remuneration Committee Meetings were held on August 09, 2016 and February 02, 2017. The attendance of Remuneration Committee meeting is as follows:

Members	Designation	No. of Meetings attended
Sh. Joginder Singh Dhamija	Chairman	2
Sh. Santosh Kumar Bishwal	Member	2
Sh. Rajesh Sehgal	Member	2

The tenure of the appointment of Sh. Ajay K. Swarup, Managing Director has been for a period of 5 years w.e.f. December 01, 2016.

Sh. Manik Lal Dutta and Sh. Shekhar Swarup who retires by rotation and, being eligible, offers themselves for re-appointment.

The Company does not have any stock option scheme.

The Non-Executive Directors are paid by way of sitting fees for each meeting of the Board of Directors and its Committees attended by them. The details of sitting fees paid to Non-Executive Directors during financial year 2016-17 are as under.

Name of the Non-Executive & Independent Director	Sitting Fees (₹)
Sh. Joginder Singh Dhamija	1,60,000
Sh. Santosh Kumar Bishwal	1,30,000
Sh. Vivek Gupta	80,000
Sh. Kunal Agarwal	90,000
Ms. Ruchika Bansal	40,000

None of the Non-Executive Directors had any pecuniary relationship or transactions with the Company during the year ended March 31, 2017 except getting sitting fees for the meeting attended by them.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE COMPOSITION

The constitution of the Stakeholders Relationship Committee is as under:-

Name of the Members	Designation	Designation in the Company
Sh. Santosh Kumar Bishwal	Chairman	Independent Director
Sh. Joginder Singh Dhamija	Member	Independent Director
Sh. Manik. Lal Dutta	Member	Executive Director
Dr. Bhaskar Roy	Member	Executive Director

7. RISK MANAGEMENT COMMITTEE:

COMPOSITION

Name of the Members	Designation	Designation in the Company
Sh. Santosh Kumar Bishwal	Chairman	Independent Director
Sh. Joginder Singh Dhamija	Member	Independent Director
Sh. Shekhar Swarup	Member	Joint Managing Director
Dr. Bhaskar Roy	Member	Executive Director
Sh. Rajesh Sehgal*	Member	Non-Executive Director

* Sh. Rajesh Sehgal has resigned from the Risk Management Committee w.e.f. 10th April 2017

COMPLIANCE OFFICER

Shri Santosh Kumar Pattanayak, Company Secretary of the Company has been appointed as the Compliance Officer.

DETAILS OF SHAREHOLDERS' / INVESTORS' COMPLAINTS RECEIVED AND ATTENDED

Number of Shareholders' / Investors' Complaints received during the period April 01, 2016 to March 31, 2017	Nil
Number of Complaints attended/resolved	12
Number of Complaints not resolved to the satisfaction of shareholders	12
Number of pending complaints as on March 31, 2017	Nil

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

COMPOSITION

The constitution of the Corporate Social Responsibility (CSR) Committee is as under:-

Name of the Members	Designation	Designation in the Company
Sh. Santosh Kumar Bishwal	Chairman	Independent Director
Sh. Joginder Singh Dhamija	Member	Independent Director
Sh. Shekhar Swarup	Member	Joint Managing Director
Dr. Bhaskar Roy	Member	Executive Director

Terms of reference of the CSR Committee are:

1. Formulate and recommend to the board, a CSR policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013
2. Recommend the amount to be spent on these activities;
3. Monitor the Company's CSR policy periodically and
4. Institution of transparent monitoring mechanism for the implementation of CSR projects.

The Company has adopted a policy on Corporate Social Responsibility as required under section 135 of The Companies Act, 2013 which is also available at the website of the Company (www.globusspirits.com). During the year, one CSR Committee meetings was held on November 12, 2016.

Terms of reference of the Risk Management Committee are:

1. Framing, implementing and monitoring the risk management plan for the Company;
2. Lay down procedures to inform Board members about the risk assessment and minimization procedures;
3. Monitoring and reviewing of the risk management plan from time to time; and
4. Activities as may be required to be done under the Companies Act 2013

8. Subsidiary Company:

Your Company has one subsidiary M/s Unibev Limited (formerly known as M/s Uber Blenders & Distillers Limited) (Indian wholly-owned subsidiary).

9. GENERAL BODY MEETINGS

Details of the last three Annual General Meetings:

Date of Meeting	Location of the Meeting	Time	Whether any Special Resolution Passed in previous three AGM
26.09.2016	Auditorium of IETE, 2, Institutional Area, Lodhi Road, New Delhi-110003	11:30 A.M.	Yes
25.09.2015		11:00 A.M.	No
24.09.2014		11:00 A.M.	Yes

Details of Special Resolutions passed through Postal Ballots during the financial year 2014-15:

- 1) To create mortgage/hypothecation and/or charge, on the whole or substantially the whole of the Company's undertakings including present or future properties, whether immovable or movable assets, comprised in any undertaking of the Company, as may be agreed to in favour of the Bank(s), Financial Institution(s) under section 180 (1) (a) of the Companies Act, 2013. The said postal ballot resolution was carried out by the scrutinizer, Sh. Sundeep K. Parashar and the voting details are as follows:-

No. of valid votes casted (through E-voting and postal ballot forms): 17,316,883

Total votes casted in favor of resolution: 17,314,391 (99.99%)

Total votes casted against the resolution: 2,492(0.01%)

Details of Special Resolutions passed through Postal Ballots during the financial year 2016-17:

- 1) To increase in the remuneration of Sh. Shekhar Swarup, Executive Director of the Company under provisions of Section(s) 196, 197, 203 read with Schedule V of the Companies Act, 2013. The said postal ballot resolution was carried out by the scrutinizer, Sh. Sundeep K. Parashar and the voting details are as follows:-

No. of valid votes casted (through E-voting and postal ballot forms): 19,343,831

Total votes casted in favor of resolution: 19,331,881 (99.94%)

Total votes casted against the resolution: 11,950(0.06%)

- 2) To increase in the remuneration of Sh. Ajay Kumar Swarup, Managing Director of the Company under provisions of Section(s) 196, 197, 203 read with Schedule V of the Companies Act, 2013. The said postal ballot resolution was carried out by the scrutinizer, Sh. Sundeep K. Parashar and the voting details are as follows:-

No. of valid votes casted (through E-voting and postal ballot forms): 19,343,831

Total votes casted in favor of resolution: 19,331,881 (99.94%)

Total votes casted against the resolution: 11,950(0.06%)

10.DISCLOSURES

i) Related Party Transactions

There have been related party transactions as reflected in Note 28 to the financial statements but they are not in conflict with the interest of the Company. The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The said policy is also available on the website of the Company (www.globusspirits.com).

ii) Accounting Standards

The Company follows the Accounting Standards prescribed under section 133 of the Companies Act, 2013 and there has been no deviation during the year except as described by Auditors in the Basis for Qualified Opinion paragraph of their audit report on the Standalone and Consolidated Financial Statements. The management's explanation in respect of such qualification, has been included in Directors Report under para Auditors Report.

iii) Details on Non-Compliance

The equity shares of the Company are listed on BSE as well as on NSE and the Company has complied with all the applicable requirements of capital markets and no penalties or strictures have been imposed on the Company by Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.

iv) Vigil Mechanism / Whistle Blower Policy

The Company has a Vigil Mechanism / Whistle Blower Policy as required under the Companies Act, 2013. The

Company has not denied access to any personnel, to approach the management/Audit Committee on any issue.

v) CEO/CFO Certification

The Managing Director, Sh. Ajay Kumar Swarup and CFO Mr. Ajay Kumar Goyal have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting purpose as required under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the year ended March 31, 2017.

vi) Compliance with Mandatory Requirements

The Company has submitted to stock exchange on quarterly basis the compliance status of all the Mandatory Requirements pursuant to Part C of Schedule V of Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

vii) Policy for determining material subsidiaries

The Company has duly posted the policies with respect to

determining material subsidiaries at its website (www.globusspirits.com).

10. MEANS OF COMMUNICATION

The Company's financial results are communicated forthwith to both 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 under Investors section 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; ir@globusgroup.in

11. GENERAL SHAREHOLDERS INFORMATION

- a) Annual General Meeting
Date & Time : Tuesday, September 26, 2017 at 11:00 A.M.
Venue : Auditorium of IETE, 2, Institutional Area, Lodhi Road, New Delhi – 110003
- b) Financial Year : April 01, 2016 to March 31, 2017
- c) Book Closure : September 20, 2017 to September 26, 2017(both days inclusive)
- d) Dividend : No dividend is proposed for the Financial Year 2016-17.
- e) Listing on Stock Exchanges : w.e.f. September 23, 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.
- f) Stock Code: BSE 533104
NSE GLOBUSSPR
NSDL/ CDSL – ISIN INE615I01010
- g) Stock Market Price Data for the year 2016-17.

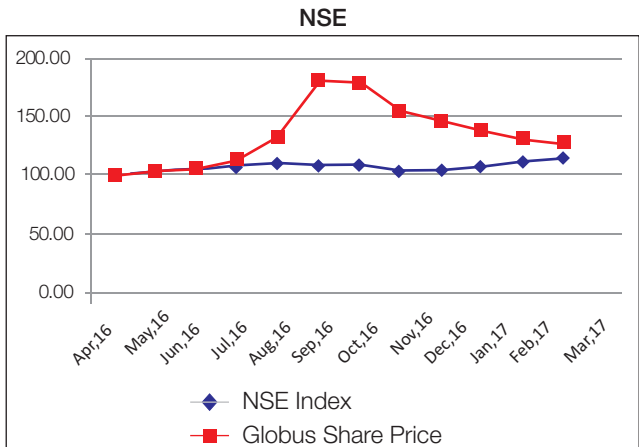
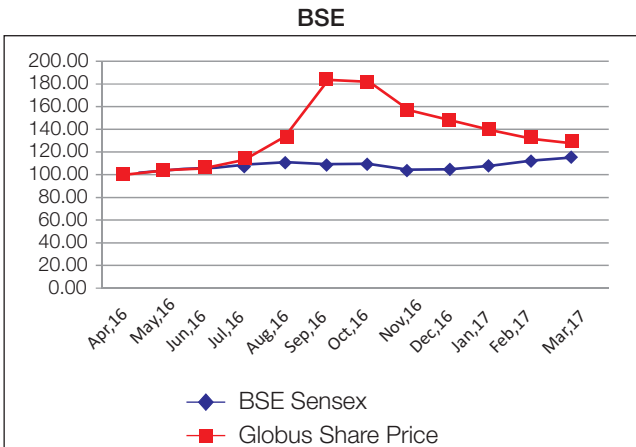
Month	BSE Price (₹)		NSE Price (₹)	
	High	Low	High	Low
April, 2016	71.45	58.85	71.50	58.70
May, 2016	68.50	58.25	68.50	58.15
June, 2016	65.50	57.75	65.50	57.55
July, 2016	81.90	62.00	82.00	62.00
August, 2016	87.90	65.55	88.00	65.65
September, 2016	115.90	76.55	115.90	75.65
October, 2016	113.80	102.10	113.80	101.50
November, 2016	110.40	68.10	110.40	67.95
December, 2016	103.00	80.00	102.60	80.10
January, 2017	96.00	83.00	95.90	83.10
February, 2017	90.00	77.00	89.40	76.75
March, 2017	83.90	75.35	83.80	76.00

(Source: www.bseindia.com and www.nseindia.com)

The Company had paid Annual Listing Fees for the Financial Year 2016-17.

Performance in comparisonwith Indices (BSE/NSE)

Base is 100 as at March 31, 2017



Distribution of Equity shareholding as on 31st March 2017

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Up to 500	13,076	85.9924	1,767,966	6.1389
501 to 1000	1,115	7.3326	923,674	3.2073
1001 to 2000	499	3.2816	766,457	2.6614
2001 to 3000	184	1.2100	473,906	1.6455
3001 to 4000	80	0.5261	289,841	1.0064
4001 to 5000	67	0.4406	314,875	1.0933
5001 to 10000	101	0.6642	741,279	2.5740
10001 & above	84	0.5524	23,521,270	81.6732
GRAND TOTAL	15,206	100.00	28,799,268	100.00

Shareholding Pattern as on 31st March, 2017

CATEGORY	NO. OF SHARE HELD	% OF HOLDING
Equity:		
A. Promoter & Promoter Group		
1. India	16,372,582	56.85
2. Foreign	-	-
Total (A)	16,372,582	56.85
B. Public		
1. Institutions	71,898	0.25
2. Non-Institutions	12,354,788	42.90
Total (B)	12,426,686	43.15
Grand Total (A+B)	28,799,268	100

Dematerialization of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialized form. As on March 31, 2017, 99.995% (28,797,947 shares out of total 28,799,268 equity shares) shares were held in dematerialized form. Out of the above 7,63,359 equity shares are locked-in-share up to 17/11/2017.

Outstanding GDR/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

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

Commodity price risk or foreign exchange risk and hedging activities:

During the year 2016-17, the Company had managed the foreign exchange risk and entered into forward contracts to the extent considered necessary for minimizing the risk of foreign exchange fluctuations. The details of foreign currency exposure are disclosed in Note No. 26.3 of the financial statements.

Plant Locations :

- 1) Vill: Shyampur, Tehsil: Behror, Dist: Alwar, Rajasthan
- 2) 4K.M., Chulkana Road, Vill: Samalkha, Dist: Panipat, Haryana
- 3) National Highway, Hisar Bye-pass, Hisar, Haryana
- 4) Vill: Duduha, Tehsil :Jandaha, Dist: Vaishali, Bihar
- 5) Plot B-7, Panagarh Industrial Area, Panagarh, Dist: Burdwan, West Bengal

Registrar and Share Transfer Agents (STA):

Link Intime India Pvt. Ltd.
44, Community center, 2nd Floor, Naraina Industrial Area,
Phase-I, Near PVR Naraina, New Delhi-110028

Share Transfer System:

Company's shares are transferable both in Demat and Physical mode. The transfers of shares in case of dematerialization form are being conducted through Depository Participant (DP). For the transfer of physical shares Company's Registrar at above mentioned address is to be contacted. Further 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.

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

DISCRETIONARY REQUIREMENTS

(1) CHAIRMAN OF THE BOARD

The Board of Directors of the Company has a Chairman who is a Non-Executive & Independent Director.

(2) 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.

(3) MODIFIED OPINIONS IN AUDIT REPORT

The Company is trying hard to move towards a regime of unqualified financial statements.

(4) SEPARATE POST OF CHAIRMAN AND MANAGING DIRECTOR

The Company has separately appointed Chairman and Managing Director.

(5) REPORTING OF INTERNAL AUDITOR

The Internal Auditors reports directly to the Audit Committee.

REQUEST TO SHAREHOLDERS

Demat of Shares:

Shareholders are requested to convert their physical holding to demat/ electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.

Consolidation of Multiple Folios:

Shareholders, who have multiple folios in identical names and order are requested to apply for consolidation of such folios and send the relevant share certificates to the Company.

Registration of Nominations:

Section 72 of the Companies Act, 2013 provides facility for making nominations by shareholders in respect of their holding of shares. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his / her nominee without having to go through the process of obtaining succession certificate / probate of the will, etc. It would therefore be in the best interest of the shareholders holding shares in physical form registered as a sole holder to make such nominations. Shareholders, who have not availed nomination facility, are requested to avail the same by submitting the nomination form to the Company or STA. This form will be made available on request. Investors holding shares in demat form are advised to contact their DPs for making nominations.

Updation of address:

Shareholders are requested to update their addresses registered with the Company, directly through the STA, to receive all communications promptly. Shareholders, holding shares in electronic form, are requested to deal only with their DPs in respect of change of address, furnishing bank account number, etc.

GREEN INITIATIVE IN CORPORATE GOVERNANCE

Rule 11 of the Companies (Accounts) Rules, 2014, permits circulation of Annual Report through electronic means to such of the members whose e-mail addresses are registered with NSDL or CDSL or with the Company to receive the documents in electronic form and physical copies to those shareholders whose e-mail addresses have not been either registered with the Company or with the DPs. To support this green initiative of the Government, members are requested to register their e-mail addresses and also intimate changes, if any, with the DPs, in case shares are held in dematerialized form and with the STA, in case the shares are held in physical form.

Compliance

The Certificate dated 11 August 2017 obtained from our statutory auditors DELOITTE HASKINS & SELLS, Gurgaon forms part of this Annual Report.

Auditor’s Certifcate on Corporate Governance

To The Members of
GLOBUS SPIRITS LIMITED

- 1. This certificate is issued in accordance with the terms of our engagement letter dated October 19, 2016.
- 2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of Globus Spirits Limited (“the Company”), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements’ Responsibility

- 3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor’s Responsibility

- 4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- 5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
- 6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- 7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

- 8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.
- 9. We 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.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm’s Registration No. 015125N)

Sd/-
Vijay Agarwal
Partner
Membership No. 094468

Place: Gurgaon
Date : August 11, 2017

CEO and CFO Certification

CEO AND CFO Certification under Regulation 17(8) of SEBI (LODR) Regulation, 2015

In terms of Regulation 17(8) of the SEBI (LODR) Regulation, 2015, we, Ajay Kumar Goyal, CFO and Ajay K. Swarup, Managing Director hereby certify that :

A. We have reviewed financial statements for the year ending 31st March 2017 and that to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the listed entity’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 listed entity during the year which are fraudulent, illegal or violative of the listed entity’s code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee

(1) significant changes in internal control over financial reporting during the year;

(2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity’s internal control system over financial reporting. (No Instance of any kind of fraud has been detected)

Place : New Delhi
Date : 19/05/2017

Sd/-
(Ajay Goyal)
CFO

Sd/-
(Ajay K. Swarup)
Managing Director

Independent Auditors' Report

Report on the Consolidated Financial Statements

To The Members
GLOBUS SPIRITS LIMITED

We have audited the accompanying consolidated financial statements of **GLOBUS SPIRITS LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiary (the Holding Company and its subsidiary together referred to as “the Group”), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding

Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

1. Attention is invited to Note 10 of the Consolidated Financial Statements which states that as on March 31, 2017, Fixed Assets include Intangible Assets aggregating to Rs.721.65 Lacs (March 31, 2016 – ₹1,443.30 Lacs) under the head “Knowhow and New Brand Development” representing intangibles internally generated by the Holding Company through expenditure on advertisement and promotional expenses. Such recognition is not in accordance with Accounting Standard –26 “Intangible Assets”. Had the Company complied with requirements of AS-26, Fixed Assets as at March 31, 2017 would have been lower by ₹ 721.65 Lacs (March 31, 2016 – ₹ 1,443.30 Lacs), Depreciation and amortisation expense for the year would be lower by ₹ 721.65 Lacs, Net profit after taxes and Reserves and Surplus would be lower by ₹ 471.90 Lacs.
2. Attention is invited to Note 10 of the Consolidated Financial Statements in respect of Plant & Machinery having Net book value of ₹ 2,966.71 Lacs (March 31, 2016 ₹ 3,278.63 Lacs (Gross Book Value - ₹ 5,580.40 Lacs (March 31, 2016 ₹ 5,580.40 Lacs)) that are currently unutilized for over 4 years as on the balance sheet date, for which the management is evaluating alternative use and is of the view that no impairment is considered necessary at this stage. In absence of impairment assessment, we are unable to comment on recoverability of carrying value of such assets and consequent adjustment that may be required upon such assessment.

The matters stated above were also qualified in our report on the consolidated financial statements for the year ended March 31, 2016.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditor on separate financial statements of the subsidiary referred to in the Other Matters paragraph below, except for the effects of the matter described in sub-paragraph (1) and possible effects of the matter described in sub-paragraph (2) of the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated

state of affairs of the Group, as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 33 of the consolidated financial Statement which describes the status of renewal of license for manufacture and sale of Extra Neutral Alcohol (E.N.A) under the Bihar Prohibition and Excise Act, 2016, in respect of one of the manufacturing plant of the Holding Company located in Bihar.

Our opinion is not modified in respect of this matter.

Other Matter

We did not audit the financial statements of Unibev Limited, subsidiary, included in the consolidated financial statements whose financial statements reflect total assets of ₹ 23.43 lacs as at March 31, 2017, total revenues of ₹Nil and net cash outflows amounting to ₹ 17.07 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements of subsidiary, referred in the Other Matters paragraph above, we report, to the extent applicable, that:

- (a) We have sought and, except for the matter described in sub-paragraph (2) of the Basis for Qualified Opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, except for the effects of the matter described in sub-paragraph (1) and the possible effects of the matter described in sub-paragraph (2) in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
- (c) The report on the accounts of the subsidiary company, audited under Section 143 (8) of the Act by other auditor has been properly dealt with in preparing this report.
- (d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (e) In our opinion, except for the effects of the matter described in

sub-paragraph (1) and possible effects of the matter described in sub-paragraph (2) in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.

- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company, none of the directors of the Group's company is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (h) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in “Annexure A”, which is based on the auditors' report of the Holding company as well as subsidiary company. Our report expresses a qualified opinion on the operating effectiveness of the Holding company's internal financial controls over financial reporting and an unmodified opinion on the adequacy and operating effectiveness of the subsidiary company's internal financial controls over financial reporting.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 23.1 to the consolidated financial statements.
 - ii. The Group do not have any material foreseeable losses on long-term contracts including derivative contracts – Refer Note 23.1 to the consolidated financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company- Refer Note 23.1 to the consolidated financial statements.
 - iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 08, 2016 of the Ministry of Finance, during the period from November 08, 2016 to December 30, 2016 of the Group entities as applicable; and such disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements- Refer Note 31 to the consolidated financial statements.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm Registration No. 015125N)

Sd/-

VIJAY AGARWAL
Partner

(Membership No. 094468)

Gurgaon, May 19, 2017

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(h)under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Globus Spirits Limited (hereinafter referred to as “the Holding Company”) and its subsidiary company, which is a company incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary company, which is a company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section

143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary company, which is a company incorporated in India, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls system over financial reportingof the Holding Company and its subsidiary company, which is a company incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised

acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

With respect to the Holding Company, according to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Holding Company's internal financial controls over financial reporting as at March 31, 2017:

In case of fixed assets, the Holding Company's internal financial controls around recording of fixed assets and timely identification, monitoring and reporting of non-usable fixed assets are operating in a manner that it may lead to delayed appropriate action / charge-off in the financial statements and consequently result in misstatement of the fixed assets.

A ‘material weakness’ is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor referred to in the Other Matters paragraph below, the Holding Company and its subsidiary company which is a company incorporated in India have maintained, in all material respects, adequate internal financial controls over financial reporting based on the internal control over financial reporting criteria established by the Company

considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and except for the possible effects of the material weakness described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Holding Company's and its subsidiary company's internal financial controls over financial reporting were operating effectively as of March 31, 2017.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Company for the year ended March 31, 2017, and the material weakness has affected our opinion on the said consolidated financial statements of the Company and we have issued a qualified opinion on the consolidated financial statements of the Company

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company incorporated in India, is based on the corresponding report of the auditor of such company.

Our opinion is not modified in respect of the above matter.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 015125N)

Sd/-
VIJAY AGARWAL
Partner
(Membership No. 094468)

Gurgaon, May 19, 2017

Consolidated Balance Sheet

as at 31 March, 2017

(₹ in lacs)			
Particulars	Note No.	As at 31 March, 2017	As at 31 March, 2016
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	2,879.93	2,879.93
(b) Reserves and surplus	4	33,901.73	33,191.84
		36,781.66	36,071.77
2 Non-current liabilities			
(a) Long-term borrowings	5	17,504.12	15,924.95
(b) Deferred tax liabilities (net)	30.1	4,614.11	4,702.81
(c) Long-term provisions	6	142.33	109.53
		22,260.56	20,737.30
3 Current liabilities			
(a) Short-term borrowings	7	7,400.05	7,046.26
(b) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises		-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	8	10,344.72	7,240.60
(c) Other current liabilities	9	4,562.77	3,302.01
(d) Short-term provisions	6	124.67	246.11
		22,432.21	17,834.98
TOTAL		81,474.43	74,644.04
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	62,877.82	41,980.19
(ii) Intangible assets	10	721.65	1,443.30
(iii) Capital work-in-progress		13.89	13,134.82
(iv) Intangible assets under development		20.82	-
(b) Non-current investments	11	-	0.54
(c) Long-term loans and advances	12	3,950.85	6,395.98
(d) Other non-current assets	13	-	19.20
		67,585.03	62,974.03
2 Current assets			
(a) Current investments	11	-	7.70
(b) Inventories	14	6,783.07	4,141.35
(c) Trade receivables	15	3,528.85	3,748.29
(d) Cash and cash equivalents	16	2,283.07	2,722.44
(e) Short-term loans and advances	12	1,162.24	917.87
(f) Other current assets	13	132.17	132.36
		13,889.40	11,670.01
TOTAL		81,474.43	74,644.04
See accompanying notes forming part of the consolidated financial statements	1 to 34		

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 015125N)

Sd/-
Vijay Agarwal
Partner
Membership No. 094468

Place : Gurgaon
Date : May 19, 2017

For and on behalf of the Board of Directors

Sd/-
Ajay K. Swarup
Managing Director
DIN-00035194

Sd/-
Manik Lal Dutta
Executive Director
DIN-00769308

Sd/-
Ajay Goyal
Chief Financial Officer

Sd/-
Santosh Kumar Pattanayak
Company Secretary
ACS-18721

Sd/-
Bhaskar Roy
Executive Director
DIN-02805627

Place : New Delhi
Date : May 19, 2017

Consolidated Statement of Profit and Loss

for the year ended 31 March, 2017

(₹ in lacs)			
Particulars	Note No.	For the year ended 31 March, 2017	For the year ended 31 March, 2016
1 Revenue from operations (gross)	17	112,308.62	99,276.00
Less: Excise duty	17	(33,396.24)	(28,636.39)
Revenue from operations (net)		78,912.38	70,639.61
2 Other income	18	417.64	418.08
3 Total revenue (1+2)		79,330.02	71,057.69
4 Expenses			
(a) Cost of materials consumed	19.a	47,799.12	40,748.74
(b) Changes in inventories of finished goods	19.b	(1,026.06)	239.89
(c) Employee benefits expense	20	1,775.28	1,700.40
(d) Finance costs	21	1,752.22	1,685.93
(e) Depreciation and amortisation expense	10	3,809.70	4,216.21
(f) Other expenses	22	24,883.86	21,244.51
Total expenses		78,994.12	69,835.68
5 Profit before tax (3 - 4)		335.90	1,222.01
6 Tax expense :			
(a) Current tax expense		121.51	317.67
(b) (Less): MAT credit		(432.01)	(236.00)
(c) Short/(Excess) provision for tax relating to prior years		-	(100.88)
(d) Deferred tax		(88.69)	237.35
Net tax expense/(benefit)		(399.19)	218.14
7 Profit for the year (5 - 6)		735.09	1,003.87
8 Earnings per share (of Rs.10/- each):			
(a) Basic	29	2.55	3.49
(b) Diluted	29	2.55	3.49
See accompanying notes forming part of the consolidated financial statements	1 to 34		

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 015125N)

Sd/-
Vijay Agarwal
Partner
Membership No. 094468

Place : Gurgaon
Date : May 19, 2017

For and on behalf of the Board of Directors

Sd/-
Ajay K. Swarup
Managing Director
DIN-00035194

Sd/-
Manik Lal Dutta
Executive Director
DIN-00769308

Sd/-
Ajay Goyal
Chief Financial Officer

Sd/-
Santosh Kumar Pattanayak
Company Secretary
ACS-18721

Sd/-
Bhaskar Roy
Executive Director
DIN-02805627

Place : New Delhi
Date : May 19, 2017

Consolidated Cash Flow Statement

for the year ended 31 March, 2017

(₹ in lacs)				
Particulars	For the year ended 31 March, 2017		For the year ended 31 March, 2016	
A. Cash flow from operating activities				
Profit before tax		335.90		1,221.91
<i>Adjustments for:</i>				
Depreciation and amortisation expense	3,809.70		4,216.21	
Loss/(profit) on sale of assets	5.61		(0.85)	
Gain on sale of long term investment	(25.11)		(5.38)	
Finance costs	1,752.22		1,685.93	
Interest income	(204.75)		(130.10)	
Dividend income	(0.21)		(0.56)	
Other Income	-		(54.62)	
Liabilities / provisions no longer required written back	(60.53)		(128.35)	
Net unrealised exchange (gain) / loss	2.82			
Bad trade and other receivables, loans and advances written off	124.70		352.03	
Provision for doubtful trade and other receivables, loans and advances	75.55	5,480.00	13.41	5,947.72
Operating profit / (loss) before working capital changes		5,815.90		7,169.64
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	(2,641.72)		863.95	
Trade receivables	180.02		(311.77)	
Short-term loans and advances	(408.87)		410.87	
Long-term loans and advances	(642.59)		(2,282.95)	
Other non-current assets	19.20		-	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	3,152.69		(442.97)	
Other current liabilities	633.65		(513.33)	
Short-term provisions	(47.33)		222.11	
Long-term provisions	32.80	277.85	(13.94)	(2,068.02)
Cash generated from operations		6,093.75		5,101.62
Net income tax (paid)		(313.65)		(140.82)
Net cash flow from / (used in) operating activities (A)		5,780.10		4,960.80
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(6,542.17)		(12,377.64)	
Proceeds from sale of fixed assets	41.48		9.26	
Sale of long-term investments	35.04		7.63	
Interest income	230.51		12.82	
Other Income	0.21		55.18	
Bank balances not considered as Cash and cash equivalents-Matured	(60.91)	(6,295.84)	(1,805.97)	(14,098.71)
Net cash flow from / (used in) operating activities (B)		(6,295.84)		(14,098.71)
C. Cash flow from financing activities				
Proceeds from long-term borrowings	4,294.11		11,198.91	
Repayment of long-term borrowings	(2,749.24)		-	
Proceeds from other short-term borrowings	2,628.79		(139.05)	
Repayment of other short-term borrowings	(2,275.00)		-	
Finance costs	(1,883.10)		(1,685.93)	
Dividends paid	-		-	
Tax on dividend	-	15.55	-	9,373.92
Net cash flow from / (used in) financing activities (C)		15.55		9,373.92
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(500.18)		236.01
Cash and cash equivalents at the beginning of the year		735.18		499.17
Cash and cash equivalents at the end of the year		234.90		735.18
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Net Cash and cash equivalents (as defined in AS 3 <i>Cash Flow Statements</i>) included in Note 16		234.90		735.18
See accompanying notes forming part of the consolidated financial statements	1 to 34			

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 015125N)

Sd/-
Vijay Agarwal
Partner
Membership No. 094468

Place : Gurgaon
Date : May 19, 2017

Sd/-
Ajay Goyal
Chief Financial Officer

For and on behalf of the Board of Directors

Sd/-
Ajay K. Swarup
Managing Director
DIN-00035194

Sd/-
Santosh Kumar Pattanayak
Company Secretary
ACS-18721

Place : New Delhi
Date : May 19, 2017

Sd/-
Manik Lal Dutta
Executive Director
DIN-00769308

Sd/-
Bhaskar Roy
Executive Director
DIN-02805627

Notes forming part of the consolidated financial statements for the year ended 31 March, 2017

1 Corporate information

Globus Spirits Limited Group (the Group) is primarily engaged in the business of manufacture and sale of Indian Made Indian Liquor (IMIL), Indian Made Foreign Liquor (IMFL), Bulk Alcohol and Franchise Bottling.

2 Basis of Consolidation and significant accounting policies

2.1 Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company and its subsidiary (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention.

Name of the entity	Relationship	Country of Incorporation	Ownership held by	% of Holding and voting power	
				At at 31 March, 2017	At at 31 March, 2016
Unibev Limited (Formerly known as 'Uber Blenders & Distillers Limited')	Subsidiary	India	Globus Spirits Limited	100%	100%

(iv) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(v) During the year, Globus Trade Bay Limited (the wholly owned subsidiary of company) has been dissolved with effect from 12th October, 2016.

(vi) Figures pertaining to the subsidiaries have been reclassified wherever necessary to bring them in line with the Company's financial statements.

2.3 Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.4 Inventories

Inventories are valued at the lower of cost (weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

2.2 Principles of consolidation

The consolidated financial statements relate to Globus Spirits Limited (the 'Company') and its subsidiary company. The consolidated financial statements have been prepared on the following basis:

(i) The financial statements of the subsidiary company used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2017.

(ii) The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

(iii) Following subsidiary company has been considered in the preparation of the consolidated financial statements:

2.5 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.6 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

2.7 Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets of the Company has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Intangible assets of "Knowhow and new brand development" are amortised over their estimated useful life of 5 years.'The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern, if any.

2.8 Revenue recognition

Sale of goods

Sales are recognised, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the dispatch of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Income arising from sales under “Tie-up” agreements (Tie-up units) and income from brand franchise are recognised in terms of the respective contracts on sale of the products by the Tie-up units / Franchisees.

Sale of services

Revenues from bottling contracts with brand franchise are recognised when services are rendered and related costs are incurred.

2.9 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.10 Fixed Assets (Tangible / Intangible)

"Fixed assets, are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance."

In the case of commissioned assets, where final settlement of bills with contractors is yet to be effected, capitalisation is done on provisional basis subject to necessary adjustment in the year of final settlement.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.11 Foreign currency transactions and translations

Initial recognition

- (i) Company: Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.
- (ii) Integral foreign operations: Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet date

- (i) Company: Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

- (ii) Integral foreign operations: Foreign currency monetary items (other than derivative contracts) of the Company's integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company's integral foreign operations are carried at historical cost.

Treatment of exchange differences

- (i) Company: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Consolidated Statement of Profit and Loss.
- (ii) Integral foreign operations: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Consolidated Statement of Profit and Loss.

Accounting for forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are charged to the statement of profit and loss. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

2.12 Government grants, subsidies and export incentives

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

2.13 Investments

Long-term investments, are carried individually at cost less provision for decline, other than temporary, in the carrying value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.14 Employee benefits

Employee benefits include provident fund, employee state insurance scheme and gratuity fund.

Defined contribution plans

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Consolidated Statement of Profit and Loss in the period in which they occur.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive which is expected to occur within twelve months after the end of the period in which the employee renders the related service.

2.15 Borrowing costs

Borrowing costs include interest. Costs in connection with the borrowing of funds are charged to the Consolidated Statement of Profit and Loss. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Consolidated Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.16 Segment reporting

Based on the guiding principles given in Accounting Standard on 'Segment Reporting' (AS-17), the Company's primary business segment is Industrial and Potable Alcohol. The alcohol business incorporates product groups viz. IMIL (Indian made Indian liquor), IMFL (Indian made foreign liquor), Bulk Alcohol and Franchise operations, which mainly have similar risks and returns. As the Company's business activity falls within a single primary business segment the disclosure requirements of AS -17 in this regard are not applicable.

2.17 Leases

"Assets leased by the Group in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year. Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term."

2.18 Earnings per share

"Basic earnings per share is computed by dividing the profit / (loss) for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented."

2.19 Taxes on income

"Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdictions where the entities are located. 'Minimum Alternate Tax (MAT) paid in

accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognised as an asset in the Consolidated Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the entity."

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the entity has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

The Group offsets deferred tax assets and deferred tax liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levies by the same governing taxation laws.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Consolidated Statement of Profit and Loss.

2.20 Impairment of assets

"The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired: (a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised."

2.21 Provisions and contingencies

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in

respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.22 Derivative contracts

"The Group enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions in foreign currency. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations. All

other derivative contracts are marked-to-market and losses are recognised in the Consolidated Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence."

2.23 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

2.24 Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Note 3 Share capital (₹ in lacs)				
Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised				
Equity shares of ₹10 each with voting rights	35,000,000	3,500.00	35,000,000	3,500.00
Cumulative compulsorily convertible preference shares (CCCPs) of ₹140 each	5,100,000	7,140.00	5,100,000	7,140.00
	40,100,000	10,640.00	40,100,000	10,640.00
(b) Issued, Subscribed and Paid-up Shares				
Equity shares of ₹ 10 each with voting rights	28,799,268	2,879.93	28,799,268	2,879.93
Total	28,799,268	2,879.93	28,799,268	2,879.93

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue/ Conversion	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2017			
- Number of shares	28,799,268	-	28,799,268
- Amount (₹)	2,879.93	-	2,879.93
Year ended 31 March, 2016			
- Number of shares	28,799,268	-	28,799,268
- Amount (₹)	2,879.93	-	2,879.93

(ii) Terms/ rights attached to equity shares

The Company has only one class of equity shares entitled to one vote per share.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Chandbagh Investments Limited	12,130,869	42.12%	12,130,869	42.12%
Templeton Strategic Emerging Markets Fund IV	5,038,168	17.49%	5,038,168	17.49%
Mr. Ajay Kumar Swarup	1,949,218	6.77%	1,886,561	6.55%
Mr. Anoop Bishnoi	1,619,820	5.62%	1,619,820	5.62%

Note 4 Reserves and surplus

Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) Securities premium account		
Opening balance	14,894.92	14,894.92
Closing balance	14,894.92	14,894.92
(b) General reserve		
Opening balance	1,415.65	1,415.65
Closing balance	1,415.65	1,415.65
(c) Surplus in Statement of Profit and Loss		
Opening balance	16,881.26	16,283.37
Less: - Adjustment in terms of Note 4(a) to Schedule II of Companies Act, 2013, where cost of a part of the asset is significant to total cost of the asset and useful life of that part is different from useful life of the remaining asset (Net of deferred tax) (Refer Note 10)	-	405.98
Add: Profit for the year	735.09	1,003.87
(Less): Effect of changes in Group's interest	(25.19)	-
Closing balance	17,591.16	16,881.26
Total	33,901.73	33,191.84

Note 5 Long-term borrowings

(₹ in lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) Term loans		
From banks	17,381.24	15,798.24
Secured (refer Note (i) below)	17,381.24	15,798.24
(b) Long-term maturities of finance lease obligations (Refer Note 27.1)	122.88	126.71
Secured (refer Note (ii) below)	122.88	126.71
Total	17,504.12	15,924.95

Notes:

(i) Details of terms of repayment for the long-term borrowings and security provided in respect of secured long term borrowings:

Particulars	Terms of repayment and security	As at 31 March, 2017	As at 31 March, 2016
Term loans from banks:			
HDFC Bank	Secured by first pari passu charge on all movable fixed assets of the Company and equitable mortgage of factory land & building of both the plants at Behror and Samalkha and second pari passu charge by way of extension of charge on all the current assets of the Company and letter of comfort by Chandbagh Investments Limited. The repayment schedule is as below: ₹ 712.50 lacs repayable in 19 quarterly installment of ₹37.50 lacs each ₹ 237.50 lacs repayable in 19 quarterly installment of ₹12.50 lacs each ₹ 1,125 lacs repayable in 9 quarterly installment of ₹125 lacs each ₹ 400 lacs repayable in 16 quarterly installment of ₹ 25 lacs each	2,475.00	2,725.00
Lakshmi Vilas Bank	Secured by first pari passu charge on all the fixed assets of the Company including equitable mortgage of factory land & building of Behror, Samalkha, Bihar and West Bengal and second pari passu charge by way of extension of charge on all the current assets of the Company and letter of comfort by Chandbagh Investments Limited. The repayment schedule is as below: ₹ 2,100 lacs repayable in 14 quarterly installment of ₹150 lacs each ₹ 1,375 lacs repayable in 11 quarterly installment of ₹125 lacs each starting from November 2016 ₹ 2,400 lacs repayable in 8 quarterly installment of ₹ 300 lacs each starting from November 2019 ₹ 1,100 lacs repayable in 4 quarterly installment of ₹ 275 lacs each starting from November 2021	6,975.00	7,376.00
Axis Bank	"Secured by first pari passu charge on all the fixed assets of the Company including equitable mortgage of factory land & building of Behror, Samalkha, Bihar and West Bengal and second pari passu charge by way of extension of charge on all the current assets of the Company and letter of comfort by Chandbagh Investments Limited. The repayment schedule is as below: (remaining undrawn amount from the approved loan has been adjusted in the dues of period end installments) ₹ 3,000 lacs repayable in 12 quarterly installments of ₹ 250 lacs each starting from April 2018 ₹ 4,800 lacs repayable in 8 quarterly installments of ₹ 600 lacs each starting from April 2021 ₹ 1,650 lacs repayable in 3 quarterly installments of ₹ 550 lacs each starting from April 2023 ₹ 506.24 lacs repayable at once in January 2024	9,956.24	7,522.24
Yes Bank	Subservient Charge on entire current assets and movable fixed assets of the Company. Repayable in 12 monthly installment of ₹18.75 lacs each.	225.00	450.00
Total		19,631.24	18,073.24

Long-term borrowings	17,381.24	15,798.24
Current Maturities of long-term debt	2,250.00	2,275.00

(ii) Finance lease obligations from Banks of ₹ 99.04 lacs (previous year ₹ 71.35 lacs) and from financial institution ₹ 23.84 lacs (previous year ₹ 55.36 lacs) are secured by hypothecation of respective vehicles. Payable on equivalent monthly installment basis, carrying interest rate in the range of 8.79% to 10.45% per annum.

Note 6 Provisions

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Long-term	Short-term	Long-term	Short-term
(a) Provision for employee benefits:				
(i) Provision for gratuity (Refer Note 24.2)	142.33	58.53	109.53	61.01
(b) Provision - for current tax (net of advance tax ₹ Nil (As at March 31, 2016 ₹ 247.65 lacs))	-	-	-	74.11
(c) Provision - other contingencies	-	66.14	-	110.99
Total	142.33	124.67	109.53	246.11

Note 7 Short-term borrowings

Particulars	As at 31 March, 2017	As at 31 March, 2016
Loans repayable on demand - Secured		
From banks	7,400.05	7,046.26
Cash credit [refer Note (i)]		
Total	7,400.05	7,046.26

Notes:

(i) Details of terms of repayment for the short-term borrowings and security provided in respect of secured short term borrowings:

(₹ in lacs)			
Particulars	Nature of Security	As at 31 March, 2017	As at 31 March, 2016
Cash credit from:			
- HDFC Bank	Secured by first pari passu charge by way of hypothecation of entire present and future current assets including stocks and book debt and second pari passu charge by way of extension of charge on all the fixed assets of the Company including equitable mortgage of factory land & building at Behror and Samalkha and corporate guarantee of M/s Chandbagh Investments Limited.	-	56.01
- Axis Bank	Secured by first pari passu charge by way of hypothecation of all the current assets of the Company and second pari passu charge on all the fixed assets of the Company including equitable mortgage of factory land & building of Behror, Samalkha, Bihar and West Bengal.	608.43	932.31
- State Bank of India	Secured by first pari passu charge by way of hypothecation of entire present and future current assets including stocks and book debt and second pari passu charge by way of extension of charge on all the fixed assets of the Company including equitable mortgage of factory land & building at Behror and Samalkha.	5,357.69	4,293.31
- Yes Bank	Secured by subservient charge on all the current assets and movable fixed assets of the Company.	-	784.96
- Punjab National Bank	Secured by first charge over the entire current assets of the Company. Secured by second pari passu charge on all fixed assets (current and future) of the company and second pari passu charge by way of extension of charge on all the fixed assets of the Company including equitable mortgage of factory land & building at Behror, Samalkha, Bihar and West Bengal and corporate guarantee of M/s Chandbagh Investments Limited.	955.35	-
- Lakshmi Vilas Bank	Secured by first parri passu charge by way of hypothecation of all the current assets of the Company and second parri passu charge on all the fixed assets of the Company including equitable mortgage of factory land & building of Behror, Samalkha, Bihar and West Bengal.	478.58	979.67
Total		7,400.05	7,046.26

Note 8 Trade payables

Particulars	As at 31 March, 2017	As at 31 March, 2016
Trade payables:		
Other than Acceptances	10,344.72	7,240.60
Total	10,344.72	7,240.60

* There are no amounts which are required to be transferred to the Investor Education and Protection Fund.

Note 9 Other Current liabilities

Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) Current maturities of long-term debt (Refer Note 5)	2,250.00	2,275.00
(b) Current maturities of finance lease obligations (Refer Note 27.1)	39.23	48.53
(c) Interest accrued but not due on borrowings	27.82	133.13
(d) Other payables		
(i) Statutory remittances	193.09	215.32
(ii) Capital creditors	1,051.37	298.65
(iii) Trade / security deposits	48.00	128.42
(iv) Advances from customers	182.49	18.63
(v) Subsidy received from Ministry of New and Renewable Energy*	133.72	60.00
(vi) Overdrawn book balance	0.96	3.59
(vii) Others [#]	636.09	120.74
Total	4,562.77	3,302.01

*Out of the total subsidy received from Ministry of New & Renewable Energy of ₹ 120 lacs during the year 2011-12, ₹ 12 lacs (Previous Year: ₹ 12 lacs) has been considered as income for the current year assuming the life of the boiler for 10 years.

[#]Include ₹ 619.02 lacs (previous year ₹ Nil) related to current account of brand franchise.

Note 10 Fixed assets

Note 10 Fixed assets		Tangible assets		Gross block				Accumulated Depreciation				Net Block		₹ in lacs)
a.		Opening as at 1 April, 2016	Additions	Disposals	Other adjustments	Balance as at 31 March, 2017	Opening as at 1 April, 2016	Transition adjustment recorded against Surplus balance in Statement of Profit and Loss	Depreciation for the year (Note-3)	Eliminated on Disposal of assets	As at 31 March, 2017	As at 31 March, 2016		
	(a) Land	1,363.71	-	-	-	1,363.71	-	-	-	-	-	1,363.71	1,363.71	
	Freehold land	1,056.48	-	-	-	1,056.48	-	-	-	-	-	1,056.48	1,056.48	
	Leasehold land	2,420.19	-	-	-	2,420.19	-	-	-	-	-	2,420.19	2,420.19	
	(Previous year)	(2,182.59)	(237.60)	-	-	(2,420.19)	-	-	-	-	-	(2,420.19)	(2,182.59)	
	(b) Buildings	10,608.99	5,006.32	-	-	15,615.31	2,543.53	-	549.10	-	3,092.63	12,522.68	8,065.46	
	Factory Building	(10,603.60)	(22.77)	(17.38)	-	(10,608.99)	(2,050.56)	-	(493.32)	(0.35)	(2,543.53)	(8,065.46)	(8,553.04)	
	(Previous year)	(10,603.60)	(22.77)	(17.38)	-	(10,608.99)	(2,050.56)	-	(493.32)	(0.35)	(2,543.53)	(8,065.46)	(8,553.04)	
	(c) Plant and equipment	44,019.63	18,571.86	40.63	-	62,550.86	12,928.73	-	2,446.30	7.23	15,367.81	47,183.05	31,090.90	
	Plant & Machinery (Note-2)	(42,236.88)	(2,040.13)	(257.38)	-	(44,019.63)	(9,411.77)	-	(2,926.98)	(30.86)	(12,928.73)	(31,090.90)	(32,825.11)	
	(Previous year)	(42,236.88)	(2,040.13)	(257.38)	-	(44,019.63)	(9,411.77)	-	(2,926.98)	(30.86)	(12,928.73)	(31,090.90)	(32,825.11)	
	(d) Electrical installations and Equipment	63.19	203.31	-	-	266.50	0.02	-	21.41	-	21.43	245.07	63.17	
	Electrical installations and Equipment	-	(63.19)	-	-	(63.19)	-	-	(0.02)	-	(0.02)	(63.17)	-	
	(Previous year)	-	(63.19)	-	-	(63.19)	-	-	(0.02)	-	(0.02)	(63.17)	-	
	(e) Furniture and fixtures	222.35	54.44	-	-	276.79	141.28	-	17.19	-	158.47	118.32	81.07	
	Furniture and fixtures	(219.31)	(3.04)	-	-	(222.35)	(125.84)	-	(15.44)	-	(141.28)	(81.07)	(93.47)	
	(Previous year)	(219.31)	(3.04)	-	-	(222.35)	(125.84)	-	(15.44)	-	(141.28)	(81.07)	(93.47)	
	(f) Vehicles	14.82	157.20	-	-	172.02	14.82	-	44.20	-	59.02	113.00	223.45	
	Owned	661.34	-	74.99	-	586.35	437.89	-	-	61.30	376.59	209.76	223.45	
	Taken under finance lease	676.16	157.20	74.99	-	758.37	452.71	-	44.20	61.30	435.61	322.78	223.45	
	(Previous year)	(626.13)	(65.76)	(15.73)	-	(676.16)	(415.24)	-	(47.87)	(10.40)	(452.71)	(223.45)	(210.89)	
	(g) Office equipment	99.95	34.56	-	-	134.51	78.64	-	9.31	-	87.95	46.56	21.31	
	Office equipment	(82.32)	(20.26)	(2.63)	-	(99.95)	(72.46)	-	(6.62)	(0.44)	(78.64)	(21.31)	(9.86)	
	(Previous year)	(82.32)	(20.26)	(2.63)	-	(99.95)	(72.46)	-	(6.62)	(0.44)	(78.64)	(21.31)	(9.86)	
	(h) Computer	100.08	13.92	-	-	114.00	85.44	-	9.39	-	94.83	19.17	14.64	
	Computer	(86.78)	(14.21)	(0.91)	-	(100.08)	(78.28)	-	(7.50)	(0.34)	(85.44)	(14.64)	(8.50)	
	(Previous year)	(86.78)	(14.21)	(0.91)	-	(100.08)	(78.28)	-	(7.50)	(0.34)	(85.44)	(14.64)	(8.50)	
	Total	58,210.54	24,041.61	115.62	-	82,136.53	16,230.35	-	3,096.89	68.53	19,230.72	62,877.80	41,980.19	
	(Previous year)	(56,037.61)	(2,466.96)	(294.03)	-	(58,210.54)	(12,154.15)	(620.84)	(3,497.75)	(42.39)	(6,230.35)	(41,980.19)	(43,883.46)	

b.	Intangible assets	Gross block					Accumulated Amortisation				Net Block	
		Opening as at 1 April, 2016	Additions	Disposals	Other adjustments	Balance as at 31 March, 2017	Opening as at 1 April, 2016	Transition adjustment recorded against Surplus balance in Statement of Profit and Loss	Amortisation for the year (Note-1)	Eliminated on Disposal of assets	As at 31 March, 2017	As at 31 March, 2016
	Internally generated Know-how and new Brand Development (Note-1)	3,794.67	-	-	-	3,794.67	2,351.37	-	721.65	-	721.65	1,443.30
	Total	3,794.67	-	-	-	3,794.67	2,351.37	-	721.65	-	721.65	1,443.30
	(Previous year)	(3,794.67)	-	-	-	(3,794.67)	(1,629.72)	-	(721.65)	-	(2,351.37)	(2,164.95)

Note:

- 1) Intangible assets - During the current period the expenses incurred on brand promotion were expensed off, however, up to 31/03/2013 the same were being capitalised since the brands were under establishment during that period. Further, during the year, ₹ 721.65 Lacs has been debited to Statement of Profit and Loss to amortise these assets over 5 years.
- 2) As on March 31, 2017, fixed assets include Plant and machinery valued at ₹ 2,966.71 lacs (Gross Book Value - ₹ 5,580.40 lacs) situated at Hissar, Haryana, which are currently unutilised for over 4 years for which the Company is in the process of evaluating alternative use, and is confident that the value in use of these assets would be higher than the carrying value and therefore no impairment provision / realisable value assessment is required at this stage.
- 3) During the current year, depreciation of ₹ 8.85 lacs (previous year ₹ 3.19 lacs) has been transferred to capital work-in-progress.

Note 11.a Non-current investments

(₹ in lacs)

Particulars	As at 31 March, 2017			As at 31 March, 2016		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost):						
Other investments						
(a) Investment in equity instruments of						
(i) Burroughs Welcome(India) Ltd	-	-	-	-	0.18	0.18
Nil shares (As at 31 March, 2016: 100) of ₹10 each fully paid up						
(ii) Bank of India	-	-	-	0.32	-	0.32
Nil shares (As at 31 March, 2016: 2,900) of ₹10 each fully paid up						
(iii) Catvision Products Ltd	-	-	-	0.22	-	0.22
Nil shares (As at 31 March, 2016: 2,500) of ₹10 each fully paid up						
(iv) Haryana Financial Corporation	-	-	-	-	8.44	8.44
Nil shares (As at 31 March, 2016: 24,100) of ₹10 each fully paid up						
(b) Investment in mutual funds						
(i) Kothari Pioneer FMCG Fund-Dividend Payout Plan	-	-	-	-	0.17	0.17
Nil Units (As at 31 March, 2016: 1,229.746) of ₹10 each						
Total - Other investments (B)	-	-	-	0.54	8.79	9.33
Total (A+B)	-	-	-	0.54	8.79	9.33
Less: Provision for decline, other than temporary, in the carrying value			-			8.79
Total			-			0.54
Aggregate amount of quoted investments			-			0.54
Aggregate market value of listed and quoted investments			-			3.16
Aggregate amount of unquoted investments (Net)			-			8.79

Note 11.b Current investments

Particulars	As at 31 March, 2017			As at 31 March, 2016		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Current investments (At lower of cost and fair value):						
(a) Investment in mutual funds						
(i) Reliance Money Manager Fund	-	-	-	-	7.70	7.70
Nil units (As at March 31, 2016: 766.35) NAV of ₹ Nil (As at March 31, 2016: ₹7.70 lac)						
Total	-	-	-	-	7.70	7.70

Note 12 Loans and advances

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Long-term	Short-term	Long-term	Short-term
(a) Capital advances				
Unsecured, considered good	155.86	-	3,793.62	-
Doubtful	0.56	-	1.27	-
	156.42	-	3,794.89	-
Less: Provision for doubtful advances	0.56	-	1.27	-
	155.86	-	3,793.62	-
(b) Security deposits				
Unsecured, considered good	655.60	97.27	630.58	181.98
(c) Loans and advances to employees	-	4.29	-	3.53
(d) Prepaid expenses	-	460.14	-	365.12
(e) Advance income tax - Unsecured, considered good (net of provisions ₹ 4,749.42 lacs (As at March 31, 2016 ₹ 4,686.28 lacs))	300.40	-	182.37	-
(f) MAT credit entitlement - Unsecured, considered good	1,955.99	-	1,523.98	-
(g) Balances with government authorities - Unsecured, considered good	733.00	484.03	115.43	88.90
(h) Other loans and advances				
Unsecured, considered good* #	150.00	116.51	150.00	278.35
Total	3,950.85	1,162.24	6,395.98	917.87

*Long-term loans and advances represents ₹ 150 lac (previous year ₹ 150 lac) as Advances to brand franchisee.

#Short-term loans and advances includes ₹ 26.06 lacs (previous year ₹ 160.11 lacs) related to current account of brand franchisee.

Note 13 Other assets

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Non-current	Current	Non-current	Current
(a) Accruals				
Interest accrued on deposits	-	132.17	-	132.36
(b) Others				
Balances held as margin money against guarantee	-	-	19.20	-
Total	-	132.17	19.20	132.36

Note 14 Inventories

(At lower of cost and net realisable value)

(₹ in lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) Raw materials (including stock in transit of ₹ 21.50 lacs as at March 31, 2017)	1,665.53	469.29
(b) Finished goods	3,975.53	2,949.47
(c) Packing material	751.55	356.96
(d) Fuel, Stores and spares	390.46	365.63
Total	6,783.07	4,141.35

Note 15 Trade receivables

Particulars	As at 31 March, 2017	As at 31 March, 2016
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	45.35	67.98
Doubtful	35.74	-
	81.09	67.98
Less: Provision for doubtful trade receivables	35.74	-
	45.35	67.98
Other Trade receivables		
Unsecured, considered good	3,483.50	3,680.31
Total	3,483.50	3,680.31
	3,528.85	3,748.29

Note 16 Cash and cash equivalents

Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) Cash on hand	43.45	15.66
(b) Balances with banks		
(i) In current accounts	184.33	633.96
(ii) In earmarked accounts		
-Balances held as margin money	2,046.42	1,985.51
(iii) Others (Debit balance in cash credit accounts)	7.12	85.56
(c) Unpaid Dividend Account	1.75	1.75
Total	2,283.07	2,722.44
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 <i>Cash Flow Statements</i>	234.90	735.18

Note 17 Revenue from operations

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
(a) Sale of products (Refer Note (i) below)	111,461.13	98,348.49
(b) Sale of services (Refer Note (ii) below)	598.43	764.89
(c) Other operating revenues (Refer Note (iii) below)	249.06	162.62
Revenue from operations (Gross)	112,308.62	99,276.00
Less:		
(d) Excise duty	33,396.24	28,636.39
Total	78,912.38	70,639.61

(₹ in lacs)

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
(i) Sale of products comprises:		
Income from own operations		
Industrial Alcohol	20,513.27	17,468.79
Indian made Indian Liquor (Country Liquor)	40,040.81	39,792.40
Indian Made Foreign Liquor	-	572.41
Others - Spent Grain, CO2, DDGS	7,814.50	7,748.09
Income from Brand Franchise	43,092.55	32,766.80
Total - Sale of products	111,461.13	98,348.49
(ii) Sale of services comprises:		
Bottling Charges	598.43	764.89
Total - Sale of services	598.43	764.89
(iii) Other operating revenues comprise:		
Duty drawback and other export incentives	249.06	162.62
Total - Other operating revenues	249.06	162.62

Note 18 Other income

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
(a) Interest income (Refer Note (i) below)	204.75	151.31
(b) Dividend income:		
on liquid investment	0.21	0.56
(c) Net gain on sale of long-term investments	25.11	-
(d) Net gain on foreign currency transactions and translation	109.53	97.47
(e) Other non-operating income (Refer Note (ii) below)	78.04	168.74
Total	417.64	418.07

Note	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
(i)	Interest income comprises:		
	Interest from banks on deposits	182.45	103.15
	Interest on Income tax refund	-	21.21
	Interest on loans and advances	22.30	26.95
	Total - Interest income	204.75	151.31
(ii)	Other non-operating income comprises:		
	Liabilities / provisions no longer required written back	60.53	128.35
	Miscellaneous income	17.51	40.39
	Total - Other non-operating income	78.04	168.74

Note 19.a Cost of materials consumed

(₹ in lacs)

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Opening stock	826.25	1,534.40
Add: Purchases	49,389.95	40,040.59
	50,216.20	41,574.99
Less: Closing stock	2,417.08	826.25
Cost of materials consumed	47,799.12	40,748.74
Materials consumed comprise:		
Grain, Color and Essences	32,569.30	26,897.44
Packing Material	15,229.82	13,851.30
Total	47,799.12	40,748.74

Note 19.b Changes in inventories of finished goods

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Inventories at the end of the year:		
Finished goods	3,975.53	2,949.47
	3,975.53	2,949.47
Inventories at the beginning of the year:		
Finished goods	2,949.47	3,189.36
	2,949.47	3,189.36
Net (increase) / decrease	(1,026.06)	239.89

Note 20 Employee benefits expense

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Salaries and wages	1,668.81	1,617.75
Contributions to provident funds	45.61	40.81
Gratuity expense (Refer Note 24.2)	37.90	21.30
Staff welfare expenses	22.95	20.54
Total	1,775.27	1,700.40

Note 21 Finance costs

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
(a) Interest expense on:		
(i) Borrowings	1,663.39	1,591.28
(ii) Others		
- Interest on delayed / deferred payment of income tax	0.06	4.13
- Bank charges	88.77	90.52
Total	1,752.22	1,685.93

Note 22 Other expenses

(₹ in lacs)

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Power and fuel	5,800.59	5,564.90
Bottling expenses/fees	6,533.21	5,769.14
Consumption of stores, spare parts and chemicals	1,402.67	1,228.79
Increase /(decrease) of excise duty on inventory	49.94	(53.29)
Excise license, establishment and supervision fees	594.31	674.08
Security	121.66	93.25
Effluent disposal	53.42	40.36
Flour and pet coke feeding	232.68	257.98
Freight and forwarding	3,353.22	2,613.38
Rent including lease rentals (refer note 27.2)	246.42	208.78
Repairs and maintenance - buildings	47.08	38.98
Repairs and maintenance - machinery	745.29	806.25
Repairs and maintenance - others	47.18	40.60
Insurance	43.41	51.81
Rates and taxes	28.99	58.49
Communication	35.52	26.92
Travelling and conveyance	185.96	145.97
Printing and stationery	17.23	12.52
Business promotion and marketing	1,683.68	945.72
Donations and contributions	9.87	0.75
Legal and professional	215.00	198.60
Payments to auditors (refer note (i) below)	42.78	43.22
Business surplus to franchisee	2,979.23	1,790.42
Subscription, books & periodicals	17.81	11.49
Electricity	27.82	17.73
Director's sitting fee	5.04	4.22
Loss on fixed assets sold / scrapped / written off	5.61	-
Bad trade receivables, loans and advances written off	124.70	352.03
Provision for doubtful trade receivables, loans and advances	75.55	13.41
Expenditure on Corporate Social Responsibility	4.00	47.00
Investor relation expense	25.67	13.42
Brand Development Expenses	12.99	63.72
Design Services - New Brand	31.02	36.74
Miscellaneous expenses	84.31	127.13
Total	24,883.86	21,244.51

(i) Payments to the auditors comprise (excluding service tax):

(a) To statutory auditors		
For statutory audit	26.67	26.69
For other services	13.50	14.50
Reimbursement of expenses	1.36	0.78
	41.53	41.97
(b) To cost auditors for cost audit	1.25	1.25
Total	42.78	43.22

Note 23 Additional information to the consolidated financial statements

Note	Particulars		
23.1	Contingent liabilities and commitments (to the extent not provided for)		
		As at 31 March, 2017	As at 31 March, 2016
(i)	Contingent liabilities		
	(a) Claims against the Company not acknowledged as debt		
	Excise duty matters	180.81	180.81
	Income tax matters	3.59	1.95
	Other matters	66.14	75.86
	Sales tax matters	120.54	120.54
	(b) Guarantees		
	Guarantees by bank on behalf of Company	257.15	358.58
(ii)	Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
	Tangible assets	74.57	2,682.42
(iii)	The Holding Company, and its subsidiary company did not have any long term contracts including derivative contracts for which there are any material foreseeable losses.		
(iv)	There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company.		

23.2 Details on derivative instruments and unhedged foreign currency exposures:

Forward exchange contracts, which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency available at the settlement date of certain receivables.

(i) Outstanding forward exchange contracts entered into by the Group as on 31 March, 2017

Particulars	Amount in USD	Buy / Sell	Amount in ₹ Lacs
Forward cover against orders to be executed / outstanding receivables	166,680 (165,000)	Sell (Sell)	107.92 (104.23)

Note: Figures in brackets relate to the previous year

(ii) The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Amount in Foreign Currency	Foreign Currency	Amount in ₹ Lacs
Trade receivables	183,360 (29,554)	USD USD	11.872 (19.55)

Note: Figures in brackets relate to the previous year

Note 24 Employee benefit plans

Note	Particulars
24.1	<u>Defined contribution plans</u> The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 45.61 lacs (Year ended 31 March, 2016 ₹ 40.81 lacs) for Provident Fund contributions, and ₹ 2.55 lacs (Year ended 31 March, 2016 ₹ 2.08 lacs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.
24.2	<u>Defined benefit plans</u> The Group's defined benefit scheme represents gratuity scheme for its employees: The following table sets out the funded status of the defined benefit scheme and the amount recognised in the financial statements:

(₹ in lacs)

Particulars	Year ended 31 March, 2017 Gratuity	Year ended 31 March, 2016 Gratuity
Components of employer's expense		
Current service cost	22.55	18.43
Interest cost	13.64	12.00
Actuarial (gains) / losses	1.71	(9.13)
Total expense recognised in the Consolidated Statement of Profit and Loss	37.90	21.30
Actual benefit payments for the year	7.58	5.67
Net asset / (liability) recognised in the Consolidated Balance Sheet		
Present value of defined benefit obligation	200.86	170.54
Fair value of plan assets	-	-
Funded status [Surplus / (Deficit)]	(200.86)	(170.54)
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Consolidated Balance Sheet	(200.86)	(170.54)
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	170.54	154.91
Current service cost	22.55	18.43
Interest cost	13.64	12.00
Actuarial (gains) / losses	1.71	(9.13)
Past service cost	-	-
Benefits paid	(7.58)	(5.67)
Present value of DBO at the end of the year	200.86	170.54
Actuarial assumptions		
Discount rate	7.37	8.00
Expected return on plan assets	-	-
Salary escalation	5.50%	5.50%
Mortality tables	IALM (2006 - 08)	IALM (2006 - 08)
Estimate of amount of contribution in the immediate next year	37.13	32.29

Experience adjustments

	2016-2017	2015 - 2016	2014 - 2015	2013-2014	2012-2013
Gratuity					
Present value of DBO	200.86	170.54	154.91	132.39	116.11
Fair value of plan assets	-	-	-	-	-
Funded status (Deficit)	(200.86)	(170.54)	(154.91)	(132.39)	(116.11)
Experience gain / (loss) adjustments on plan liabilities	6.72	9.21	1.68	1.03	(15.44)
Experience gain / (loss) adjustments on plan assets	-	-	-	-	-

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Note 25 Segment Reporting

Segment information

Based on the guiding principles given in Accounting Standard on 'Segment Reporting' (AS-17), the Group's primary business segment is Industrial and Potable Alcohol. The alcohol business incorporates product groups viz. IMIL, IMFL, Bulk Alcohol and Franchise operations, which mainly have similar risks and returns. As the Group's business activity falls within a single primary business segment the disclosure requirements of AS -17 in this regard are not applicable.

Note 26 Related party transactions

Note	Particulars	
26.1	Details of related parties:	
	Description of relationship	Names of related parties
	(i) Key Management Personnel (KMP)	Mr. Ajay Kumar Swarup Mr. Shekhar Swarup Dr. Bhaskar Roy Mr. Manik Lal Dutta Mr. Ajay Goyal (w.e.f. November 09, 2015)
	(ii) Entities in which KMP can exercise significant influence	Biotech India Limited Chandbagh Investments Limited GRAS education and training Services Private Limited Himalayan Spirits Limited Globus Spirits (Jharkhand) Limited Globus Trois Freres India Limited Globus Feeds Private Limited V C technologies Private Limited Northern India Alcohol Sales Private Limited Rajasthan Distilleries Private Limited Associated Distilleries Limited

26.2 Details of related party transactions during the year ended 31 March, 2017 and balances outstanding as at 31 March, 2017: (₹ in lacs)

Particulars	Current Year	Previous Year
Transactions during the year		
Remuneration to KMP		
Mr. Ajay Kumar Swarup	92.98	75.00
Mr. Shekhar Swarup	68.16	39.47
Dr. Bhaskar Roy	57.81	49.17
Mr. Manik Lal Dutta	36.80	34.03
Mr. Ajay Goyal	39.04	36.69
Investment made / (sold)		
Unibev Limited (Formerly known as Uber Blenders & Distilleries Private Limited)	489.63	-
Globus Trade Bay Limited (upto October 13, 2016)	(1.69)	-
Rent Paid		
Rajasthan Distilleries Private Limited	76.81	72.54
Biotech India Limited	59.89	28.28
Associated Distilleries Limited	6.00	6.00
Write off made during the year		
Himalayan Spirits Limited	1.63	-
Globus Spirits (Jharkhand) Limited	122.87	-
Sale of goods		
Biotech India Limited	-	10.75
Purchase of fixed assets		
GRAS education and training Services Private Limited	-	0.90
Payments made on behalf of		
Globus Trois Freres India Limited	-	-
V C technologies Private Limited	-	-
Northern India Alcohol Sales Private Limited	-	-
Himalayan Spirits Limited	-	0.16
Biotech India Limited	6.85	2.39
Associated Distilleries Limited	-	0.87
Globus Spirits (Jharkhand) Limited	-	2.02
GRAS education and training Services Private Limited	1.41	2.71
Rajasthan Distilleries Private Limited	0.07	-
Expenses reimbursed		
GRAS education and training Services Private Limited	1.29	2.71
Biotech India Limited	6.85	2.39
Balances outstanding at the end of the year		
Trade payables		
Rajasthan Distillers Private limited	-	0.16
Trade receivables		
Biotech India Limited	-	7.65
Security deposit given		
Associated Distilleries Limited	464.94	464.94
Biotech India Limited	13.32	13.32
Other Receivable/(Payable)		
Globus Trois Freres India Limited	0.26	0.26
Himalayan Spirits Limited	0.54	2.17
Globus Spirits (Jharkhand) Limited	-	122.87
GRAS education and training Services Private Limited	0.12	-

Note 27 Details of leasing arrangements

(₹ in lacs)

Note	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	<u>As Lessee</u>		
27.1	The Group has entered into finance lease arrangements for certain vehicles, which provide the Company an option to purchase the assets at the end of the lease period.		
	Reconciliation of minimum lease payments		
	Future minimum lease payments		
	not later than one year	54.41	63.97
	later than one year and not later than five years	140.80	151.17
	later than five years	-	-
		195.21	215.14
	Less: Unmatured finance charges	33.10	39.90
	Present value of minimum lease payments payable	162.11	166.12
	not later than one year	39.23	48.53
	later than one year and not later than five years	122.88	126.71
	later than five years	-	0.00
		162.11	175.24
27.2	The Group has entered into operating lease arrangements for certain facilities. The leases are non-cancellable and are for a period of one year and may be renewed further based on mutual agreement of the parties.		
	Future minimum lease payments		
	not later than one year	2.90	-
	later than one year and not later than five years	-	-
	later than five years	-	-
	Lease payments recognised in the Consolidated Statement of Profit and Loss	246.42	208.78

Note 28 Details of borrowing costs capitalised

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Borrowing costs capitalised during the year	810.87	575.08
- as capital work-in-progress		
Total	810.87	575.08

Note 29 Earnings per share

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Basic / Diluted		
Profit for the year	735.09	1,003.87
Weighted average number of equity shares (No. of shares)	28,799,268	28,799,268
Par value per share (₹)	10.00	10.00
Earnings per share - Basic / Diluted (₹)	2.55	3.49

Note 30 Deferred tax (liabilities) / assets

Note	Particulars	As at 31 March, 2017	As at 31 March, 2016
30.1	Deferred tax (liabilities) / assets		
	<u>Tax effect of items constituting deferred tax liabilities</u>		
	On difference between book balance and tax balance of fixed assets	(5,590.49)	(5,098.88)
	Tax effect of items constituting deferred tax liabilities	(5,590.49)	(5,098.88)
	<u>Tax effect of items constituting deferred tax assets</u>		
	Provision for compensated absences, gratuity and other employee benefits	70.90	59.02
	Provision for doubtful debts / advances	35.91	0.44
	Unabsorbed depreciation / losses carried forward	860.94	325.70
	Bonus payable	8.63	7.87
	Others	-	3.03
	Tax effect of items constituting deferred tax assets	976.38	396.06
	Deferred tax (liabilities) / assets (net)	(4,614.11)	(4,702.82)

30.2 The Group has recognised deferred tax asset on unabsorbed depreciation / losses carried forward based upon projections for future taxable income over the periods, which have been approved by board.

Note 31 Details of Specified Bank Notes held and transacted during the period 8th November, 2016 to 30th December, 2016

Particular		Specified Bank Notes	Other Denomination Notes	Total Amount (₹)
		Amount (₹)	Amount (₹)	
	Closing cash in hand as on 08.11.2016	20,510,000	359,302	20,869,302
Add:	Permitted Receipts	-	1,415,000	1,415,000
Less:	Permitted Payments	-	21,780	21,780
Less:	Amount Deposited in Bank	20,510,000	1,389,000	21,899,000
	Closing cash in hand as on 30.12.2016	-	363,522	363,522

Note 32 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Note	Particulars				
32	Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013				
Name of the entity in the		Net assets, i.e., total assets minus total liabilities		Share of profit or (loss)	
Globus Spirits Limited Group		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent - Globus Spirits Limited		101.29% (100.78%)	37,256.28 (36,354.34)	123% (125%)	901.93 (1,253.77)
Subsidiary - Indian Uber Blenders & Distillers Limited		(1.29%) (-0.85%)	(474.62) (-307.78)	(23%) (-26%)	(166.85) (-256.55)
Foreign Globus Trade bay Limited		0.00% (0.07%)	- (25.19)	0% (1%)	- (6.65)

Note: Figures in brackets relate to the previous year

Note 33

4) The Company's license for production of Extra Neutral Alcohol (ENA) from Grain in respect of one of the manufacturing plant located in Bihar was valid till March 31, 2017. The State Government of Bihar vide Notification No. 11/Adhi. Karya.-01-06/2016-235 dated January 24, 2017, inter alia, notified that the existing licenses of production of E.N.A from Grain based distilleries, or Bottling plants shall not be renewed by the State Government from the financial year 2017-18. The Company, aggrieved by the Notification, filed a writ petition in the Patna High Court challenging the constitutional validity of certain provisions under the Bihar Prohibition and Excise Act, 2016 so far as they relate to prohibition of manufacture and prevention of renewal of license pertaining to ENA. Subsequent to the year end, the High Court, while deciding the petition in favor of the Company on May 03, 2017 has, inter alia, set aside the Notification dated 24th January, 2017 issued by the State Government so far as it prevents or denies the right of renewal of an existing license for production of ENA from grain based distilleries. Based on the decision of the High Court, the Company has applied for renewal of license with Registration, Excise and Prohibition Department, Government of Bihar, Patna on May 05, 2017. The said application is currently pending with the department and the Company is confident of recommending the operations in the financial year 2017-18 after the license is renewed. Assets at the Bihar manufacturing plant have a net book value of ₹ 11,907.19 lacs (Gross book value ₹ 12,064.02 lacs) and also have alternative use. Pending detailed evaluation of the alternatives, in the view of the management, no provision is considered necessary to the carrying cost of these assets as at the balance sheet date."

Note 34 Previous year's figures

34 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signature to note 1 to 34

For and on behalf of the Board of Directors

Sd/-
Ajay K. Swarup
Managing Director
DIN-00035194

Sd/-
Manik Lal Dutta
Executive Director
DIN-00769308

Sd/-
Bhaskar Roy
Executive Director & COO
DIN-02805627

Place: New Delhi
Date: May 19, 2017

Sd/-
Ajay Goyal
Chief Financial Officer

Sd/-
Santosh Kumar Pattanayak
Company Secretary
ACS-18721

Independent Auditors' Report

Report on the Standalone Financial Statements

To The Members of
GLOBUS SPIRITS LIMITED

We have audited the accompanying standalone financial statements of **GLOBUS SPIRITS LIMITED** (“the Company”), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected

depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

Basis for Qualified Opinion

- Attention is invited to Note 11 of the Standalone Financial Statements which states that as on March 31, 2017, Fixed Assets include Intangible Assets aggregating to ₹ 721.65 Lacs (March 31, 2016 – ₹ 1,443.30 Lacs) under the head “Knowhow and New Brand Development” representing intangibles internally generated by the Company through expenditure on advertisement and promotional expenses. Such recognition is not in accordance with Accounting Standard – 26 “Intangible Assets”. Had the Company complied with requirements of AS-26, Fixed Assets as at March 31, 2017 would have been lower by ₹ 721.65 Lacs (March 31, 2016 – ₹ 1,443.30 Lacs), Depreciation and amortisation expense for the year would be lower by ₹ 721.65 Lacs, Net profit after taxes and Reserves and Surplus would be lower by ₹ 471.90 Lacs.
- Attention is invited to Note 11 of the Standalone Financial Statements in respect of Plant & Machinery having Net book value of ₹ 2,966.71 Lacs (March 31, 2016 ₹ 3,278.63 Lacs (Gross Book Value - ₹ 5,580.40 Lacs (March 31, 2016 ₹ 5,580.40 Lacs)) that are currently unutilized for over 4 years as on the balance sheet date, for which the management is evaluating alternative use and is of the view that no impairment is considered necessary at this stage. In absence of impairment assessment, we are unable to comment on recoverability of carrying value of such assets and consequent adjustment that may be required upon such assessment.

The matters stated above were also qualified in our report on the standalone financial statements for the year ended March 31 2016.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in sub-paragraph (1) and possible effects of the matter described in sub-paragraph (2) of the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 35 of the financial Statement which describes the status of renewal of license for manufacture and sale of Extra Neutral Alcohol (E.N.A) under the Bihar Prohibition and Excise Act, 2016, in respect of one of the manufacturing plant located in Bihar.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit we report, to the extent applicable that:
 - a) We have sought and except for the matter described in sub-paragraph (2) in the Basis for Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, except for the effects of the matter described in sub-paragraph (1) and the possible effects of the matter described in sub-paragraph (2) in the Basis for Qualified Opinion paragraph above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, except for the effects of the matter described in sub-paragraph (1) and the possible effects of the matter described in sub-paragraph (2) in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) The qualification relating to the maintenance of

accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses a qualified opinion on the operating effectiveness of the Company's internal financial controls over financial reporting.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 26.1 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 26.1 to the standalone financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company – Refer Note 8 to the standalone financial statements.
 - iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 08, 2016 of the Ministry of Finance, during the period from November 08, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company- Refer Note 34 to the standalone financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 015125N)

Sd/-
Vijay Agarwal
(Partner)
Place: Gurgaon
Date: May 19, 2017
(Membership No. 094468)

ANNEXURE “A” TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Globus Spirits Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the

auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2017:

In case of fixed assets, the Company's internal financial controls around recording of fixed assets and timely identification, monitoring and reporting of non-usable fixed assets are operating in a manner that it may lead to delayed appropriate action / charge-off in the financial statements and consequently result in misstatement of the fixed assets.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting as of March 31, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and except for the possible effects of the material weakness described in the Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2017.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2017, and the material weakness has affected our opinion on the said standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements of the Company.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 015125N)

Sd/-
Vijay Agarwal
(Partner)
(Membership No. 094468)

Place: Gurgaon
Date: May 19, 2017

ANNEXURE “B” TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of the Company's fixed assets:
 - (a) The Company has maintained records showing particulars, including situation of fixed assets, however, certain particulars are in the process of being updated.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanation given to us, the Company is in process of reconciling the same with fixed assets register, accordingly discrepancies, if any, has not been identified on such verification.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/ lkrarnama/ Shapathpatra provided to us, we report that, the title deeds, comprising all the immovable properties of land, are held in the name of the Company as at the balance sheet date. Immovable properties of land whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders. In respect of immovable properties of land that have been taken on perpetual lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals, except in case of inventories lying with third parties, where confirmations has been obtained from third parties in respect of such inventories, and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of which:
 - (a) The terms and conditions of the grant of such loans amounting to ₹ 167.54 lacs given to a wholly owned subsidiary are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - (b) According to the information and explanation given to us, the above loans are receivable on demand, which as informed to us, have been converted into equity investment in the wholly owned subsidiary. In the

absence of any stipulated schedule of repayment of principal and payment of interest, we are unable to comment on the regularity of the repayments or receipts of principal amounts and interest.

- c) According to the information and explanation given to us, the above loans are receivable on demand, which as informed to us, have been converted into equity investment in the wholly owned subsidiary. Accordingly, there is no overdue amount remaining outstanding as at the balance sheet date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit under Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income-tax. Sales tax and Excise Duty which have not been deposited as at March 31, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates (Financial Year)	Amount Involved (Rs.) *
Excise Laws	Excise Duty	High Court	1995-96, 2004-10	19,739,456
		Appellate authority upto Commissioners’ level	1996-97	1,111,279
Sales Tax Laws	Sales tax	High Court	2010 -11	12,054,561
Income Tax Act, 1961	Income tax	Appellate authority upto Commissioners’ level	2012-13, 2013-14	358,660

* Amount as per demand orders including interest and penalty wherever indicated in the Order. No amount has been paid under protest.

The following matter, which has been excluded from the table above, has been decided in favour of the Company but the department has preferred appeals at higher levels. The details are given below:

Name of the Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹) *
Sales Tax Laws	Sales tax	High Court	2004 -05 to 2005-06 2007-08 to 2009-10	77,100,339

*Amount as per demand orders including interest and penalty wherever indicated in the Order.

- There were no dues of Service Tax, Customs Duty and Value Added Tax which have not been deposited as at March 31, 2017 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer (including debt instruments) during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance

- with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 015125N)

Sd/-
Vijay Agarwal
Partner
(Membership No. 094468)

Place: Gurgaon
Date: May 19, 2017

Standalone Balance Sheet as at 31 March, 2017

		(₹ in lacs)		
	Particulars	Note No.	As at 31 March, 2017	As at 31 March, 2016
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	3	2,879.93	2,879.93
	(b) Reserves and surplus	4	34,376.35	33,474.42
			37,256.28	36,354.35
2	Non-current liabilities			
	(a) Long-term borrowings	5	17,504.12	15,924.95
	(b) Deferred tax liabilities (net)	33	4,614.02	4,702.70
	(c) Long-term provisions	6	142.33	109.53
			22,260.47	20,737.18
3	Current liabilities			
	(a) Short-term borrowings	7	7,400.05	7,046.26
	(b) Trade payables			
	(A) Total outstanding dues of micro enterprises and small enterprises	26.2	-	-
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	8	10,342.04	7,234.68
	(c) Other current liabilities	9	4,562.12	3,310.84
	(d) Short-term provisions	10	124.67	246.11
			22,428.88	17,837.89
	TOTAL		81,945.63	74,929.42
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	11.a	62,877.35	41,979.43
	(ii) Intangible assets	11.b	721.65	1,443.30
	(iii) Capital work-in-progress		13.89	13,134.82
	(iv) Intangible assets under development		20.82	-
			63,633.71	56,557.55
	(b) Non-current investments	12.a	494.63	7.23
	(c) Long-term loans and advances	13	3,933.95	6,702.99
	(d) Other non-current assets	14	-	19.20
			4,428.58	6,729.42
2	Current assets			
	(a) Current investments	12.b	-	7.70
	(b) Inventories	15	6,783.07	4,141.35
	(c) Trade receivables	16	3,528.85	3,748.29
	(d) Cash and cash equivalents	17	2,277.48	2,699.70
	(e) Short-term loans and advances	18	1,161.77	913.05
	(f) Other current assets	19	132.17	132.36
			13,883.34	11,642.45
	TOTAL		81,945.63	74,929.42
	See accompanying notes forming part of the standalone financial statements	1 to 36		

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 015125N)

Sd/-
Vijay Agarwal
Partner
Membership No. 094468

Place : Gurgaon
Date : May 19, 2017

Sd/-
Ajay Goyal
Chief Financial Officer

For and on behalf of the Board of Directors

Sd/-
Ajay K. Swarup
Managing Director
DIN-00035194

Sd/-
Santosh Kumar Pattanayak
Company Secretary
ACS-18721

Place : New Delhi
Date : May 19, 2017

Sd/-
Manik Lal Dutta
Executive Director
DIN-00769308

Sd/-
Bhaskar Roy
Executive Director
DIN-02805627

Standalone
Statement of Profit and Loss
for the year ended 31 March, 2017

(₹ in lacs)				
Particulars		Note No.	For the year ended 31 March, 2017	For the year ended 31 March, 2016
1	Revenue from operations (gross)	20	112,308.62	99,306.77
	Less: Excise duty	20	33,396.24	28,636.39
	Revenue from operations (net)		78,912.38	70,670.38
2	Other income	21	443.21	382.22
3	Total revenue (1+2)		79,355.59	71,052.60
4	Expenses			
	(a) Cost of materials consumed	22.a	47,799.12	40,748.74
	(b) Changes in inventories of finished goods	22.b	(1,026.06)	239.89
	(c) Employee benefits expense	23	1,694.06	1,579.77
	(d) Finance costs	24	1,752.22	1,685.27
	(e) Depreciation and amortisation expense	11	3,809.40	4,216.09
	(f) Other expenses	25	24,824.10	21,111.03
	Total expenses		78,852.84	69,580.79
5	Profit before tax (3-4)		502.75	1,471.81
6	Tax expense / (benefit):			
	(a) Current tax expense		121.51	317.67
	(b) Short/(Excess) provision for tax relating to prior years		-	(100.88)
	(c) Net current tax expense		121.51	216.79
	(d) (Less): MAT credit		(432.01)	(236.00)
	(e) Deferred tax		(88.68)	237.25
	Net tax expense / (benefit)		(399.18)	218.04
7	Profit for the year (5 - 6)		901.93	1,253.77
8	Earnings per share (of ₹ 10 /- each):			
	(a) Basic	32	3.13	4.35
	(b) Diluted	32	3.13	4.35
	See accompanying notes forming part of the standalone financial statements	1 to 36		

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 015125N)

Sd/-
Vijay Agarwal
Partner
Membership No. 094468

Place : Gurgaon
Date : May 19, 2017

Sd/-
Ajay Goyal
Chief Financial Officer

Sd/-
Santosh Kumar Pattanayak
Company Secretary
ACS-18721

Place : New Delhi
Date : May 19, 2017

For and on behalf of the Board of Directors

Sd/-
Ajay K. Swarup
Managing Director
DIN-00035194

Sd/-
Manik Lal Dutta
Executive Director
DIN-00769308

Sd/-
Bhaskar Roy
Executive Director
DIN-02805627

Standalone Cash Flow Statement
for the year ended 31 March, 2017

(₹ in lacs)

Particulars	For the year ended 31 March, 2017		For the year ended 31 March, 2016	
A. Cash flow from operating activities				
Profit before tax		502.75		1,471.81
<i>Adjustments for:</i>				
Depreciation and amortisation expense	3,809.40		4,216.09	
Loss/(profit) on sale of assets	1.03		(0.85)	
Gain on sale of long term investment	(25.11)		(5.38)	
Finance costs	1,752.22		1,685.27	
Interest income	(230.32)		(130.10)	
Dividend income	(0.21)		(0.56)	
Other Income	(17.51)		(48.39)	
Liabilities / provisions no longer required written back	(60.53)		(128.35)	
Provision for contingency	-		44.85	
Net unrealised gain			(0.90)	
Bad trade and other receivables, loans and advances written off	124.70		352.03	
Provision for doubtful trade and other receivables, loans and advances	75.55	5,429.22	13.41	5,997.12
Operating profit / (loss) before working capital changes		5,931.97		7,468.93
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	(2,641.72)		863.95	
Trade receivables	219.44		(45.64)	
Short-term loans and advances	(248.72)		374.38	
Long-term loans and advances	2,769.04		518.26	
Other non-current assets	19.20		-	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	3,107.36		(447.29)	
Other current liabilities	1,251.28		(1,030.77)	
Short-term provisions	(121.44)		(19.38)	
Long-term provisions	32.80	4,387.24	(12.67)	200.84
Cash generated from operations		10,319.21		7,669.77
Net income tax (paid)		(150.00)		(140.82)
Net cash flow from / (used in) operating activities (A)		10,169.21		7,528.95
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(11,061.69)		(14,869.78)	
Purchase of long-term investments - Subsidiaries	-		-	
Proceeds from sale of fixed assets	41.48		0.85	
Sale of long-term investments	-		7.82	
Interest income	230.32		39.77	
Other Income	17.72		48.53	
Bank balances not considered as Cash and cash equivalents-Matured	(60.91)		(1,805.97)	
		(10,833.08)		(16,578.78)
Net cash flow from / (used in) investing activities (B)		(10,833.08)		(16,578.78)
C. Cash flow from financing activities				
Proceeds from issue of share warrants			14,975.62	
Proceeds from long-term borrowings	2,004.17		(3,850.92)	
Repayment of long-term borrowings	(425.00)		1,657.49	
Proceeds from other short-term borrowings	2,628.79		(1,906.73)	
Repayment of other short-term borrowings	(2,275.00)		(1,575.07)	
Finance costs	(1,752.22)		-	
Dividends paid	-		-	
Tax on dividend	-	180.74	-	9,300.39
Net cash flow from / (used in) financing activities (C)		180.74		9,300.39
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(483.13)		250.56
Cash and cash equivalents at the beginning of the year		712.44		461.88
Cash and cash equivalents at the end of the year		229.31		712.44
Reconciliation of Cash and cash equivalents with the Balance Sheet: Net Cash and cash equivalents (as defined in AS 3 <i>Cash Flow Statement</i>) included in Note 17		229.31		712.44
See accompanying notes forming part of the standalone financial statements				

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 015125N)

Sd/-
Vijay Agarwal
Partner
Membership No. 094468

Place : Gurgaon
Date : May 19, 2017

Sd/-
Ajay Goyal
Chief Financial Officer

Place : New Delhi
Date : May 19, 2017

For and on behalf of the Board of Directors

Sd/-
Ajay K. Swarup
Managing Director
DIN-00035194

Sd/-
Santosh Kumar Pattanayak
Company Secretary
ACS-18721

Sd/-
Manik Lal Dutta
Executive Director
DIN-00769308

Sd/-
Bhaskar Roy
Executive Director
DIN-02805627

Notes forming part of the standalone financial statements for the year ended 31 March, 2017

Note Particulars

1 Corporate information

Globus Spirits Limited (the Company) is a public Company domiciled in India and incorporated under the provisions of the Companies Act. The Company is primarily engaged in the business of manufacture and sale of Indian Made Indian Liquor (IMIL), Indian Made Foreign Liquor (IMFL), Bulk Alcohol and Franchise Bottling.

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Inventories

Inventories are valued at the lower of cost (weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Depreciation and amortisation

'Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Intangible assets of "Knowhow and new brand development" are amortised over their estimated useful life of 5 year.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

2.7 Revenue recognition

Sale of goods

Sales are recognised, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the dispatch of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Income arising from sales by manufacturers under "Tie-up" agreements (Tie-up units) and income from brand franchise are recognised in terms of the respective contracts on sale of the products by the Tie-up units / Franchisees.

Sale of services

Revenues from bottling contracts with brand franchise are recognised when services are rendered and related costs are incurred.

2.8 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.9 Fixed Assets (Tangible / Intangible)

Fixed assets, are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to

the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

In the case of commissioned assets, where final settlement of bills with contractors is yet to be effected, capitalisation is done on provisional basis subject to necessary adjustment in the year of final settlement.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Accounting for forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

2.11 Government grants, subsidies and export incentives

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

2.12 Investments

Long-term investments, are carried individually at cost less provision for decline, other than temporary, in the carrying value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.13 Employee benefits

Employee benefits include provident fund, employee state insurance scheme and gratuity fund.

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.

Short-term employee benefits

"The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of short-term compensated absences is accounted when the absences occur."

2.14 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.15 Segment reporting

Based on the guiding principles given in Accounting Standard on 'Segment Reporting' (AS-17), the Company's primary business segment is Industrial and Potable Alcohol. The alcohol business incorporates product groups viz. IMIL, IMFL, Bulk Alcohol and Franchise operations, which mainly have similar risks and returns. As the Company's business activity falls within a single primary business segment the disclosure requirements of AS - 17 in this regard are not applicable.

2.16 Leases

"Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant

periodic rate of interest on the outstanding liability for each year. Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term."

2.17 Earnings per share

"Basic earnings per share is computed by dividing the profit after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented."

2.18 Taxes on income

"Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company."

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally

enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their reliability.

2.19 Impairment of assets

"The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired: (a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised."

2.20 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.21 Derivative contracts

"The Company enters into derivative contracts in the nature of foreign currency forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions in foreign currency. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations. All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence."

2.22 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

2.23 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Note 3 Share capital (₹ in lacs)				
Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised				
Equity shares of ₹10 each with voting rights	35,000,000	3,500.00	35,000,000	3,500.00
Cumulative compulsorily convertible preference shares (CCCPS) of ₹140 each	5,100,000	7,140.00	5,100,000	7,140.00
	40,100,000	10,640.00	40,100,000	10,640.00
(b) Issued, Subscribed and Paid-up shares				
Equity shares of ₹10 each with voting rights	28,799,268	2,879.93	28,799,268	2,879.93
Total	28,799,268	2,879.93	28,799,268	2,879.93

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue/ (Conversion)	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2017			
- Number of shares	28,799,268	-	28,799,268
- Amount (₹)	2,879.93	-	2,879.93
Year ended 31 March, 2016			
- Number of shares	28,799,268	-	28,799,268
- Amount (₹)	2,879.93	-	2,879.93

(ii) Terms/ rights attached to equity shares

The Company has only one class of equity shares entitled to one vote per share.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Chandbagh Investments Limited	12,130,869	42.12%	12,130,869	42.12%
Templeton Strategic Emerging Markets Fund IV	5,038,168	17.49%	5,038,168	17.49%
Mr. Ajay Kumar Swarup	1,949,218	6.77%	1,886,561	6.55%
Mr. Anoop Bishnoi	1,619,820	5.62%	1,619,820	5.62%

Note 4 Reserves and surplus

Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) Securities premium account		
Opening balance	14,894.92	14,894.92
Closing balance	14,894.92	14,894.92
(b) General reserve		
Opening balance	1,415.65	1,415.65
Closing balance	1,415.65	1,415.65
(c) Surplus in Statement of Profit and Loss		
Opening balance	17,163.85	16,316.06
Less: - Adjustment in terms of Note 4(a) to Schedule II of Companies Act, 2013, where cost of a part of the asset is significant to total cost of the asset and useful life of that part is different from useful life of the remaining asset (Net of deferred tax) (Refer Note 11)	-	405.98
Add: Profit for the year	901.93	1,253.77
Closing balance	18,065.78	17,163.85
Total	34,376.35	33,474.42

Note 5 Long-term borrowings

Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) Term loans		
From banks		
Secured (refer Note (i) below)	17,381.24	15,798.24
	17,381.24	15,798.24
(b) Long-term maturities of finance lease obligations (Refer Note 29.1)@		
Secured (refer Note (ii) below)	122.88	126.71
	122.88	126.71
Total	17,504.12	15,924.95

Notes:

(i) Details of terms of repayment for the long-term borrowings and security provided in respect of secured long term borrowings: (₹ in lacs)

Particulars	Terms of repayment and security	As at 31 March, 2017	As at 31 March, 2016
Term loans from banks:			
HDFC Bank	Secured by first pari passu charge on all movable fixed assets of the Company and equitable mortgage of factory land & building of both the plants at Behror and Samalkha and second pari passu charge by way of extension of charge on all the current assets of the Company and letter of comfort by Chandbagh Investments Limited. The repayment schedule is as below: ₹ 712.50 lacs repayable in 19 quarterly installment of ₹ 37.50 lacs each ₹ 237.50 lacs repayable in 19 quarterly installment of ₹12.50 lacs each ₹ 1,125.00 lacs repayable in 9 quarterly installment of ₹125.00 lacs each ₹ 400.00 lacs repayable in 16 quarterly installment of ₹ 25.00 lacs each	2,475.00	2,725.00
Lakshmi Vilas Bank	Secured by first pari passu charge on all the fixed assets of the Company including equitable mortgage of factory land & building of Behror, Samalkha, Bihar and West Bengal and second pari passu charge by way of extension of charge on all the current assets of the Company and letter of comfort by Chandbagh Investments Limited. The repayment schedule is as below: (remaining undrawn amount from the approved loan has been adjusted in the dues of period end installments) ₹ 2,100 lacs repayable in 14 quarterly installment of ₹150 lacs each ₹ 1,375 lacs repayable in 11 quarterly installment of ₹125 lacs each starting from November 2016 ₹ 2,400 lacs repayable in 8 quarterly installment of ₹ 300 lacs each starting from November 2019 ₹ 1,100 lacs repayable in 4 quarterly installment of ₹ 275 lacs each starting from November 2021	6,975.00	7,376.00
Axis Bank	Secured by first pari passu charge on all the fixed assets of the Company including equitable mortgage of factory land & building of Behror, Samalkha, Bihar and West Bengal and second pari passu charge by way of extension of charge on all the current assets of the Company and letter of comfort by Chandbagh Investments Limited. The repayment schedule is as below: (remaining undrawn amount from the approved loan has been adjusted in the dues of period end installments) ₹ 3,000 lacs repayable in 12 quarterly installments of ₹ 250 lacs each starting from April 2018 ₹ 4,800 lacs repayable in 8 quarterly installments of ₹ 600 lacs each starting from April 2021 ₹ 1,650 lacs repayable in 3 quarterly installments of ₹ 550 lacs each starting from April 2023 ₹ 506.24 lacs repayable at once in January 2024	9,956.24	7,522.24
Yes Bank	Subservient Charge on entire current assets and movable fixed assets of the Company. Repayable in 12 monthly installment of ₹18.75 lacs each.	225.00	450.00
	Total	19,631.24	18,073.24
Long-term borrowings		17,381.24	15,798.24
Current maturities of long-term debt		2,250.00	2,275.00

(ii) Finance lease obligations from Banks of ₹ 99.04 lacs (previous year ₹ 71.35 lacs) and from financial institution ₹ 23.84 lacs (previous year ₹ 55.36 lacs) are secured by hypothecation of respective vehicles. Payable on equivalent monthly installment basis, carrying interest rate in the range of 8.79% to 10.45% per annum.

Note 6 Long-term provisions

Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) Provision for employee benefits: Provision for gratuity (Refer Note 27.2)	142.33	109.53
Total	142.33	109.53

Note 7 Short-term borrowings

Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) Loans repayable on demand - Secured From banks Cash Credit Limit {Refer Note (i)}	7,400.05	7,046.26
Total	7,400.05	7,046.26

Notes:

(i) Details of terms of repayment for the short-term borrowings and security provided in respect of secured short term borrowings: (₹ in lacs)

Particulars	Nature of Security	As at 31 March, 2017	As at 31 March, 2016
Cash credit from:			
- HDFC Bank	Secured by first pari passu charge by way of hypothecation of entire present and future current assets including stocks and book debt and second pari passu charge by way of extension of charge on all the fixed assets of the Company including equitable mortgage of factory land & building at Behror and Samalkha and corporate guarantee of M/s Chandbagh Investments Limited.	-	56.01
- Axis Bank	Secured by first pari passu charge by way of hypothecation of all the current assets of the Company and second pari passu charge on all the fixed assets of the Company including equitable mortgage of factory land & building of Behror, Samalkha, Bihar and West Bengal.	608.43	932.31
- State Bank of India	Secured by first pari passu charge by way of hypothecation of entire present and future current assets including stocks and book debt and second pari passu charge by way of extension of charge on all the fixed assets of the Company including equitable mortgage of factory land & building at Behror and Samalkha.	5,357.69	4,293.31
- Yes Bank	Secured by subservient charge on all the current assets and movable fixed assets of the Company.	-	784.96
- Punjab National Bank	Secured by first charge over the entire current assets of the Company. Secured by second pari passu charge on all fixed assets (current and future) of the company and second pari passu charge by way of extension of charge on all the fixed assets of the Company including equitable mortgage of factory land & building at Behror, Samalkha, Bihar and West Bengal and corporate guarantee of M/s Chandbagh Investments Limited.	955.35	-
- Lakshmi Vilas Bank	Secured by first parri passu charge by way of hypothecation of all the current assets of the Company and second parri passu charge on all the fixed assets of the Company including equitable mortgage of factory land & building of Behror, Samalkha, Bihar and West Bengal.	478.58	979.67
	Total	7,400.05	7,046.26

Note 8 Trade payables

Particulars	As at 31 March, 2017	As at 31 March, 2016
Trade payables: Other than acceptances*	10,342.04	7,234.68
Total	10,342.04	7,234.68

* There are no amounts which are required to be transferred to the Investor Education and Protection Fund.

Note 9 Other current liabilities

Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) Current maturities of long-term debt (Refer Note 5)	2,250.00	2,275.00
(b) Current maturities of finance lease obligations (Refer Note 29.1)	39.23	48.53
(c) Interest accrued but not due on borrowings	27.82	133.13
(d) Other payables		
(i) Statutory remittances	192.44	210.15
(ii) Payables on purchase of fixed assets	1,051.37	298.65
(iii) Subsidy received from Ministry of New and Renewable Energy*	48.00	60.00
(iv) Trade / security deposits	182.49	128.42
(v) Advances from customers	133.72	45.43
(vi) Overdrawn book balance	0.96	3.59
(vii) Others	636.09	107.94
Total	4,562.12	3,310.84

*Out of the total subsidy received from Ministry of New & Renewable Energy of ₹ 120 lacs during the year 2011-12, ₹ 12 lacs (Previous Year: ₹ 12 lacs) has been considered as income for the current year assuming the life of the boiler for 10 years.

Note 10 Short-term provisions

Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) Provision for employee benefits: (i) Provision for gratuity (Refer Note 27.2)	58.53	61.01
(b) Provision - Others: (i) Provision - for current tax (net of advance tax Rs. Nil (As at March 31, 2016 Rs. 247.65 lacs)	-	74.11
(ii) Provision - other contingencies	66.14	110.99
Total	124.67	246.11

a.	Tangible assets	Gross block				Accumulated Depreciation				Net Block	
		Opening as at 1 April, 2016	Additions	Disposals	Other adjustments	Balance as at 31 March, 2017	Transition adjustment recorded against Surplus balance in Statement of Profit and Loss (Note -3)	Depreciation for the year	Eliminated on Disposal of assets	As at 31 March, 2017	As at 31 March, 2016
	(a) Land										
	Freehold land	2,420.19	-	-	(1,056.48)	1,363.71	-	-	-	1,363.71	2,420.19
	Leasehold land	-	-	-	1,056.48	1,056.48	-	-	-	1,056.48	-
	(Previous year)	2,420.19	-	-	-	2,420.19	-	-	-	2,420.19	2,420.19
		(2,182.59)	(237.60)			(2,420.19)				(2,420.19)	(2,182.59)
	(b) Buildings										
	Factory Building	10,608.99	5,006.32	-	-	15,615.31	-	549.10	-0.35	3,092.63	8,065.45
	(Previous year)	(10,603.60)	(22.77)	(17.38)		(10,608.99)		(493.32)		(2,543.53)	(8,065.46)
	(c) Plant and equipment										
	Plant & Machinery	44,019.63	18,571.86	40.63	-	62,550.86	-	2,446.30	7.23	15,367.80	31,090.89
	(Previous year)	(42,236.88)	(2,040.13)	(257.38)		(44,019.63)	(620.84)	(2,926.98)	(30.86)	(12,928.73)	(31,090.90)
	(d) Electrical installations and equipment										
	Electrical Installations and Equipment	63.19	203.31	-	-	266.50	-	21.41	-	21.43	63.17
	(Previous year)	-	(63.19)	-		(63.19)		(0.02)	-	(0.02)	-
	(e) Furniture and fixtures										
	Furniture and fixtures	222.35	54.44	-	-	276.79	-	17.19	-	158.47	81.07
	(Previous year)	(219.31)	(3.04)	-		(222.35)		(15.44)	-	(141.28)	(83.47)
	(f) Vehicles										
	Owned	14.82	157.20	-	-	172.02	-	44.20	-	59.02	-
	Taken under finance lease	661.34	74.99	-	-	586.35	-	-	61.30	376.59	223.45
	(Previous year)	676.16	157.20	74.99	-	758.37	-	44.20	61.30	436.61	223.45
		(626.13)	(65.76)	(15.73)		(676.16)		(47.87)	(10.40)	(452.71)	(210.89)
	(g) Office equipment										
	Office equipment	99.95	34.56	-	-	134.51	-	9.31	-	87.95	21.31
	(Previous year)	(82.32)	(20.26)	(2.63)		(99.95)		(6.62)	(0.44)	(78.64)	(9.86)
	(h) Computer										
	Computer	99.20	13.92	-	-	113.12	-	9.09	-	94.41	13.87
	(Previous year)	(86.78)	(13.33)	(0.91)		(99.20)		(7.38)	(0.34)	(85.32)	(8.50)
	Total	58,209.66	24,041.61	115.62	-	82,136.65	-	3,096.60	68.63	19,258.30	41,979.40
	(Previous year)	(56,037.61)	(2,486.09)	(294.03)		(58,209.66)	(620.84)	(3,497.63)	(42.39)	(16,230.23)	(43,863.46)
b.	Intangible assets	Gross block				Balance as at 31 March, 2017	Accumulated Amortisation				Net Block
		Openings at 1 April, 2016	Additions	Disposals			Transition adjustment recorded against Surplus balance in Statement of Profit and Loss	Amortisation for the year (Note-1)	Eliminated on Disposal of assets	As at 31 March, 2017	As at 31 March, 2016
	Internally generated Know-how and new Brand Development (Note-1)										
		3,794.67	-	-		3,794.67	-	721.65	-	3,073.02	1,443.30
	Total	3,794.67	-	-		3,794.67	-	721.65	-	3,073.02	1,443.30
	(Previous year)	(3,794.67)				(3,794.67)		(721.65)		(2,351.37)	(2,164.96)

Note: 1) Intangible assets - During the current period the expenses incurred on brand promotion were expensed off, however, up to 31/03/2013 the same were being capitalised since the brands were under establishment during that period. Further, during the year, an amount of ₹ 721.65 Lacs has been debited to Statement of Profit and Loss to amortise these assets over 5 years.

2) As on March 31, 2017, fixed assets include Plant and machinery valued at ₹ 2966.71 lacs (Gross Book Value - ₹ 5,580.40 lacs) situated at Hissar, Haryana, which are currently unutilised since 3 years for which the Company is in the process of evaluating alternative use, and is confident that the value in use of these assets would be higher than the carrying value and therefore no impairment provision/realisable value assessment is required at this stage.

3) During the current year, depreciation of ₹ 8.85 lacs (previous year ₹ 3.19) has been transferred to capital work-in-progress.

4) The State Government of Bihar vide notification no. 11/Adhi. Karya.-01-06/2016-235 dated January 24, 2017, inter alia notified that the existing licenses of production of ENA from Grain based distilleries, IMFL, manufactory or Bottling plant and Brewery or their bottling plant shall not be renewed by the State Government from the financial year 2017-18. In respect of the Company's newly set up plant located in the state of Bihar, the Company filed a writ petition in the Patna high court challenging the constitutional validity of certain provisions under the Bihar Prohibition and Excise Act, 2016 prohibiting the manufacture and preventing renewal of license pertaining to Extra neutral alcohol (ENA). Subsequent to year end, the said petition has been allowed in the favour of Company and the petition has been disposed off.

Note 12.a Non-current investments

(₹ in lacs)

Particulars	As at 31 March, 2017			As at 31 March, 2016		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost):						
A. Trade						
(a) Investment in equity instruments of						
(i) Globus Trade Bay Limited	-	-	-	-	1.69	1.69
Nil shares (As at 31 March, 2016: 10) of AED 1,000 each fully paid up	-	-	-	-	-	-
(ii) Unibev Limited (Formerly known as M/s Uber Blenders & Distillers Limited)	-	494.63	494.63	-	5.00	5.00
12,78,695 shares (As at 31 March, 2016: 50,000) of ₹ 10 each fully paid up	-	-	-	-	-	-
Total - Trade Investments (A)	-	494.63	494.63	-	6.69	6.69
B. Other investments						
(a) Investment in equity instruments of						
(i) Burroughs Welcome (India) Limited	-	-	-	-	0.18	0.18
Nil shares (As at 31 March, 2016: 100) of ₹10 each fully paid up	-	-	-	-	-	-
(ii) Bank of India	-	-	-	0.32	-	0.32
Nil shares (As at 31 March, 2016: 2,900) of ₹10 each fully paid up	-	-	-	-	-	-
(iii) Catvision Limited	-	-	-	0.22	-	0.22
Nil shares (As at 31 March, 2016: 2,500) of ₹10 each fully paid up	-	-	-	-	-	-
(iv) Haryana Financial Corporation	-	-	-	-	8.44	8.44
Nil shares (As at 31 March, 2016: 24,100) of ₹10 each fully paid up	-	-	-	-	-	-
(b) Investment in mutual fund						
(i) Kothari Pioneer FMCG Fund-Dividend Payout Plan	-	-	-	-	0.17	0.17
Nil Units (As at 31 March, 2016: 1,229.746) of ₹10 each	-	-	-	-	-	-
Total - Other investments (B)	-	-	-	0.54	8.79	9.33
Total (A+B)	-	494.63	494.63	0.54	15.48	16.02
Less: Provision for decline, other than temporary, in the carrying value						
Total			494.63			8.79
Aggregate amount of quoted investments			-			0.54
Aggregate market value of listed and quoted investments			-			3.16
Aggregate amount of unquoted investments (Net)			494.63			15.48

Note 12.b Current investments

Particulars	As at 31 March, 2017			As at 31 March, 2016		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Current investments (At lower of cost and fair value):						
(a) Investment in mutual funds						
(i) Reliance Money Manager Fund	-	-	-	-	7.70	7.70
Nil units (as at March 31, 2016: 766.35) NAV of ₹ Nil (As at March 31, 2016: 7.70 lac)	-	-	-	-	-	-
Total	-	-	-	-	7.70	7.70

Note 13 Long term loans and advances

Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) Capital advances		
Unsecured, considered good	155.85	3,793.62
Doubtful	0.56	1.27
Less: Provision for doubtful advances	156.41	3,794.89
	0.56	1.27
	155.85	3,793.62
(b) Security deposits		
Unsecured, considered good	638.70	615.48
(c) Loans and advances to related parties (Refer Note 28.2) - Unsecured, considered good	-	322.11
(d) Advance income tax - Unsecured, considered good (net of provisions ₹ 4,749.42 lacs (As at March 31, 2016 ₹ 4,686.28 lacs)	300.40	182.37
(e) MAT credit entitlement - Unsecured, considered good	1,956.00	1,523.98
(f) Balances with government authorities - Unsecured, considered good	733.00	115.43
(g) Other loans and advances - Unsecured, considered good*	150.00	150.00
Total	3,933.95	6,702.99

*Represents ₹ 150 lac (previous year ₹ 150 lac) as Advances to brand franchisee.

Note 14 Other non-current assets

Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) Others		
(i) Balances held as margin money against guarantee	-	19.20
Total	-	19.20

Note 15 Inventories

(At lower of cost and net realisable value)

(₹ in lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) Raw materials (including stock in transit of ₹21.50 lacs as at 31st March, 2017)	1,665.53	469.29
(b) Finished goods	3,975.53	2,949.47
(c) Packing material	751.55	356.96
(d) Fuel, Stores and spares	390.46	365.63
Total	6,783.07	4,141.35

Note 16 Trade receivables

Particulars	As at 31 March, 2017	As at 31 March, 2016
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	45.35	67.98
Doubtful	35.74	-
	81.09	67.98
Less: Provision for doubtful trade receivables	35.74	-
	45.35	67.98
Other Trade receivables		
Unsecured, considered good	3,483.50	3,680.31
	3,483.50	3,680.31
Total	3,528.85	3,748.29

Note 17 Cash and cash equivalents

Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) Cash on hand	43.42	15.57
(b) Balances with banks		
(i) In current accounts	178.77	611.31
(ii) In earmarked accounts		
- Balances held as margin money or security against borrowings, guarantees and other commitments	2,046.42	1,985.51
(iii) Others (Debit balance in cash credit accounts)	7.12	85.56
(c) Unpaid Dividend Account	1.75	1.75
Total	2,277.48	2,699.70
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 <i>Cash Flow Statements</i>	229.31	712.44

Note 18 Short-term loans and advances

Particulars	As at 31 March, 2017	As at 31 March, 2016
Unsecured, considered good		
(a) Security deposits	96.80	181.98
(b) Loans and advances to employees	4.29	3.39
(c) Prepaid expenses	460.14	364.19
(d) Balances with government authorities	484.03	88.90
(e) Others*	116.51	274.59
Total	1,161.77	913.05

*Include ₹ 26.06 lacs (previous year ₹ 160.11 lacs) related to current account of brand franchisee.

Note 19 Other current assets

Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) Accruals		
Interest accrued on deposits	132.17	132.36
Total	132.17	132.36

Note 20 Revenue from operations

(₹ in lacs)

	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
(a)	Sale of products (Refer Note (i) below)	111,461.13	98,379.26
(b)	Sale of services (Refer Note (ii) below)	598.43	764.89
(c)	Other operating revenues (Refer Note (iii) below)	249.06	162.62
	Revenue from operations (Gross)	112,308.62	99,306.77
	Less:		
(d)	Excise duty	33,396.24	28,636.39
	Total	78,912.38	70,670.38

Note	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
(i)	Sale of products comprises:		
	Income from own operations		
	Industrial Alcohol	20,513.27	17,499.56
	Indian Made Indian Liquor (Country Liquor)	40,040.81	39,792.40
	Indian Made Foreign Liquor	-	572.41
	Others - Spent Grain, CO2, DDGS	7,814.50	7,748.09
	Income From Brand Franchise	43,092.55	32,766.80
	Total - Sale of products	111,461.13	98,379.26
(ii)	Sale of services comprises :		
	Bottling Charges	598.43	764.89
	Total - Sale of services	598.43	764.89
(iii)	Other operating revenues comprise:		
	Duty drawback and other export incentives	249.06	162.62
	Total - Other operating revenues	249.06	162.62

Note 21 Other income

	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
(a)	Interest income (Refer Note (i) below)	230.32	151.31
(b)	Dividend income:		
	On liquid investment	0.21	0.56
(c)	Net gain on sale of long-term investments	25.11	-
(d)	Net gain on foreign currency transactions and translation	109.53	47.38
		78.04	182.97
(e)	Other non-operating income (Refer Note (ii) below)		
	Total	443.21	382.22

Note	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
(i)	Interest income comprises:		
	Interest from banks on deposits	182.45	103.15
	Interest on Income tax refund	-	21.21
	Interest on loans and advances	47.87	26.95
	Total - Interest income	230.32	151.31

Note	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
(ii)	Other non-operating income comprises:		
	Liabilities / provisions no longer required written back	60.53	128.35
	Miscellaneous income	17.51	54.62
	Total - Other non-operating income	78.04	182.97

Note 22.a Cost of materials consumed

(₹ in lacs)

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Opening stock	826.25	1,534.40
Add: Purchases	49,389.95	40,040.59
	50,216.20	41,574.99
Less: Closing stock	2,417.08	826.25
Cost of materials consumed	47,799.12	40,748.74
Materials consumed comprise:		
Grain, Color and Essences	32,569.30	26,897.44
Packing Material	15,229.82	13,851.30
Total	47,799.12	40,748.74

Note 22.b Changes in inventories of finished goods

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
<u>Inventories at the end of the year:</u>		
Finished goods	3,975.53	2,949.47
	3,975.53	2,949.47
<u>Inventories at the beginning of the year:</u>		
Finished goods	2,949.47	3,189.36
	2,949.47	3,189.36
Net (increase) / decrease	(1,026.06)	239.89

Note 23 Employee benefits expense

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Salaries and wages	1,587.73	1,496.78
Contributions to provident and other funds	45.61	39.39
Gratuity expense (Refer Note 27.2)	37.90	21.30
Staff welfare expenses	22.82	22.30
Total	1,694.06	1,579.77

Note 24 Finance costs

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
(a) Interest expense on:		
(i) Borrowings	1,663.39	1,591.28
(ii) Others		
- Interest on delayed / deferred payment of income tax	0.06	4.13
- Bank charges	88.77	89.86
Total	1,752.22	1,685.27

Note 25 Other expenses

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Consumption of stores and spare parts and chemicals	1,402.67	1,228.79
Increase / (decrease) of excise duty on inventory	49.94	(53.29)
Power and fuel	5,800.59	5,564.90
Bottling expenses/fees	6,533.21	5,769.14
Excise license, Establishment and Supervision fees	594.31	674.08
Security	121.66	93.25
Effluent disposal	53.42	40.36
Flour & Pet coke feeding	232.68	257.98
Rent including lease rentals (Refer Note 29.2)	237.31	198.21
Repairs and maintenance - Buildings	47.08	38.98
Repairs and maintenance - Machinery	745.29	806.25
Repairs and maintenance - Others	47.18	40.60
Insurance	43.41	51.81
Rates and taxes	28.99	58.49
Communication	35.52	26.92
Travelling and conveyance	184.65	140.74
Printing and stationery	17.23	12.52
Freight and forwarding	3,353.22	2,613.38
Business promotion and marketing	1,683.68	945.72
Donations and contributions	9.87	0.75
Legal and professional	211.09	194.74
Payments to auditors (Refer Note (i) below)	42.61	43.03
Subscription Books & Periodicals	17.81	11.49
Electricity	27.82	17.73
Director's sitting fee	5.04	4.22
Business surplus to Franchise	2,979.23	1,790.42
Investor relation expense	25.67	13.42
Bad trade and other receivables, loans and advances written off	124.70	352.03
Provision for doubtful trade and other receivables, loans and advances (net)	75.55	13.41
Expenditure on Corporate Social Responsibility	4.00	47.00
Loss on fixed assets sold / scrapped / written off	1.03	-
Provision for decline, other than temporary in carrying value of investment	-	-
Miscellaneous expenses	87.64	113.96
Total	24,824.10	21,111.03

Note:

(₹ in lacs)

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
(i) Payments to the auditors comprise (excluding service tax):		
(a) To statutory auditors		
For statutory audit	26.50	26.50
For other services	13.50	14.50
Reimbursement of expenses	1.36	0.78
	41.36	41.78
(b) To cost auditors for cost audit	1.25	1.25
Total	42.61	43.03

Note 26 Additional information to the standalone financial statements

Note	Particulars		
26.1	Contingent liabilities and commitments (to the extent not provided for)		
	Particulars	As at 31 March, 2017	As at 31 March, 2016
(i)	Contingent liabilities		
(a)	Claims against the Company not acknowledged as debt		
	Excise duty matters	180.81	180.81
	Income tax matters	3.59	1.95
	Other matters	66.14	75.86
	Sales tax matter	120.54	120.54
(b)	Guarantees		
	Guarantees by bank on behalf of Company	257.15	358.58
(ii)	Commitments		
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for		
	Tangible assets	74.57	2,396.12
(iii)	The company did not have any long term contracts including derivative contracts for which there are any material foreseeable losses		

26.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Further no interest has been paid under the terms of MSMED Act, 2006. Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

Particulars	As at 31 March, 2017	As at 31 March, 2016
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

26.3 Details on derivative instruments and unhedged foreign currency exposures:

Forward exchange contracts, which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency available at the settlement date of certain receivables.

(i) Outstanding forward exchange contracts entered into by the Company as on 31 March, 2017

Particulars	Amount in USD	Buy / Sell	Amount in ₹ lacs
Forward cover against orders to be executed / outstanding receivables	166,680	Sell	107.92
	(165,000)	(Sell)	(104.23)

Note: Figures in brackets relate to the previous year

(ii). The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below: (₹ in lacs)				
	As at 31 March, 2017		As at 31 March, 2016	
	Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency	Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency
	Amount in ₹ Lacs	Amount in USD	Amount in ₹ lacs	Amount in USD
	118.72	183,360	19.55	29,554
26.4	Expenditure in foreign currency:		For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Professional & Consultancy fee		-	-
	Others		-	4.33
26.5	Earnings in foreign exchange:		For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Export of goods calculated on FOB basis		8,571.75	4,155.67
26.6	Amounts remitted in foreign currency during the year on account of dividend on preference share capital		For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Amount of dividend remitted in foreign currency		-	-
	Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)		-	-
	Total number of shares held by them on which dividend was due		-	-
	Period to which the dividend relates		-	-
26.7	Disclosure as per Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges			
(i)	Name of the party	Relationship	Amount outstanding as at 31 March, 2017	Maximum balance outstanding during the year
	Unibev Limited (Formerly known as Uber Blenders & Distillers Limited)	Subsidiary Company	-	452.93
			(322.11)	(322.11)
<i>Note: Figures in brackets relate to the previous year</i>				
26.8	Value of imports calculated on CIF basis :		For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Particulars			
	Capital Goods		485.18	344.79
26.9	Details of consumption of imported and indigenous items		For the year ended 31 March, 2017	
			₹ in lacs	%
	<u>Imported</u>			
	Raw materials		-	-
			(-)	-
	Stores & spare parts		-	-
			(-)	-
	<u>Indigenous</u>			
	Raw materials		47,799.12	100%
			(40,748.74)	100%
	Stores & spare parts		1,402.67	100%
			(1,228.79)	100%
	Total		49,201.79	100%
			(41,977.53)	100%
<i>Note: Figures / percentages in brackets relate to the previous year</i>				

(₹ in lacs)			
26.10	Details of CSR expenditure	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Gross amount required to be spent by the company during the year	18.86	43.85
	Amount spent during the year on purposes other than construction / acquisition of any asset		
	- In cash	4.00	47.00
	- Yet to be paid in cash	-	-
	Total	4.00	47.00

Note 27 Employee benefit plans

Note	Particulars				
27.1	<u>Defined contribution plans</u>	The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 45.61 lacs (Year ended 31 March, 2016 ₹ 39.39 lacs) for Provident Fund contributions, and ₹ 2.55 lacs (Year ended 31 March, 2016 ₹ 2.03 lacs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.			
27.2	<u>Defined benefit plans</u>	The Company's defined benefit scheme represents gratuity scheme for its employees: The following table sets out the funded status of the defined benefit scheme and the amount recognised in the financial statements:			
	Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016		
		Gratuity	Gratuity		
	Components of employer's expense				
	Current service cost	22.55	18.43		
	Interest cost	13.64	12.00		
	Actuarial (gains) / losses	1.71	(9.13)		
	Total expense recognised in the Statement of Profit and Loss	37.90	21.30		
	Actual benefit payments for the year	7.58	5.67		
	Net asset / (liability) recognised in the Balance Sheet				
	Present value of defined benefit obligation	200.86	170.54		
	Fair value of plan assets	-	-		
	Funded status [Surplus / (Deficit)]	(200.86)	(170.54)		
	Unrecognised past service costs	-	-		
	Net asset / (liability) recognised in the Balance Sheet	(200.86)	(170.54)		
	Change in defined benefit obligations (DBO) during the year				
	Present value of DBO at beginning of the year	170.54	154.91		
	Current service cost	22.55	18.43		
	Interest cost	13.64	12.00		
	Actuarial (gains) / losses	1.71	(9.13)		
	Past service cost	-	-		
	Benefits paid	(7.58)	(5.67)		
	Present value of DBO at the end of the year	200.86	170.54		
	Actuarial assumptions				
	Discount rate	7.37	8.00		
	Expected return on plan assets	-	-		
	Salary escalation	5.50%	5.50%		
	Mortality tables	IALM (2006 - 08)	IALM (2006 - 08)		
	Estimate of amount of contribution in the immediate next year	37.13	32.29		
	Experience adjustments*				
		2016-2017	2015-2016	2014-2015	2013-2014
	Gratuity				
	Present value of DBO	200.86	170.54	154.91	132.39
	Fair value of plan assets	-	-	-	-
	Funded status (Deficit)	(200.86)	(170.54)	(154.91)	(132.39)
	Experience gain / (loss) adjustments on plan liabilities	6.72	9.21	1.68	1.03
	Experience gain / (loss) adjustments on plan assets	-	-	-	-
The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.					
The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.					
* Information pertaining to experience adjustment have been furnished to the extent available with the Company.					

Note 28 Full particulars of loans given, investment made, guarantees given, security provided together with purpose in terms of section 186 (4) of the Companies Act, 2013

Name of entity	Amount	Full Particulars	Purpose
Loans Given			
Unibev Limited (Formerly known as Uber Blenders & Distillers Limited)	114.00	Loan given to Unibev Limited which is wholly owned subsidiary of company carrying interest rate of 9% per annum	For commercial purpose
Investment Made			
Unibev Limited (Formerly known as Uber Blenders & Distillers Limited)	489.63	Investment made in Unibev Limited which is wholly owned subsidiary of company	

Note 29 Related party transactions

Note	Particulars								
29.1	Details of related parties:								
	<table><tr><th>Description of relationship</th><th>Names of related parties</th></tr><tr><td>(i) Subsidiary Company</td><td>Unibev Limited (Formerly known as Uber Blenders & Distillers Limited) Globus Trade Bay Limited (upto October 13, 2016)</td></tr><tr><td>(ii) Key Management Personnel (KMP)</td><td>Mr. Ajay Kumar Swarup Mr. Shekhar Swarup Dr. Bhaskar Roy Mr. Manik Lal Dutta Mr. Ajay Goyal (w.e.f. November 09, 2015)</td></tr><tr><td>(iii) Entities in which KMP can exercise significant influence</td><td>Biotech India Limited Chandbagh Investments Limited GRAS education and training Services Private Limited Himalayan Spirits Limited Globus Spirits (Jharkhand) Limited Globus Trois Freres India Limited Globus Feeds Private Limited V C technologies Private Limited Northern India Alcohol Sales Private Limited Rajasthan Distilleries Private Limited Associated Distilleries Limited</td></tr></table>	Description of relationship	Names of related parties	(i) Subsidiary Company	Unibev Limited (Formerly known as Uber Blenders & Distillers Limited) Globus Trade Bay Limited (upto October 13, 2016)	(ii) Key Management Personnel (KMP)	Mr. Ajay Kumar Swarup Mr. Shekhar Swarup Dr. Bhaskar Roy Mr. Manik Lal Dutta Mr. Ajay Goyal (w.e.f. November 09, 2015)	(iii) Entities in which KMP can exercise significant influence	Biotech India Limited Chandbagh Investments Limited GRAS education and training Services Private Limited Himalayan Spirits Limited Globus Spirits (Jharkhand) Limited Globus Trois Freres India Limited Globus Feeds Private Limited V C technologies Private Limited Northern India Alcohol Sales Private Limited Rajasthan Distilleries Private Limited Associated Distilleries Limited
Description of relationship	Names of related parties								
(i) Subsidiary Company	Unibev Limited (Formerly known as Uber Blenders & Distillers Limited) Globus Trade Bay Limited (upto October 13, 2016)								
(ii) Key Management Personnel (KMP)	Mr. Ajay Kumar Swarup Mr. Shekhar Swarup Dr. Bhaskar Roy Mr. Manik Lal Dutta Mr. Ajay Goyal (w.e.f. November 09, 2015)								
(iii) Entities in which KMP can exercise significant influence	Biotech India Limited Chandbagh Investments Limited GRAS education and training Services Private Limited Himalayan Spirits Limited Globus Spirits (Jharkhand) Limited Globus Trois Freres India Limited Globus Feeds Private Limited V C technologies Private Limited Northern India Alcohol Sales Private Limited Rajasthan Distilleries Private Limited Associated Distilleries Limited								

29.2	Details of related party transactions during the year ended 31 March, 2017 and balances outstanding as at 31 March, 2017: (₹ in lacs)		
	Particulars	Current Year	Previous Year
	Transactions during the year		
	Remuneration to KMP and relatives of KMP		
	Mr. Ajay Kumar Swarup	92.98	75.00
	Mr. Shekhar Swarup	68.16	39.47
	Dr. Bhaskar Roy	57.81	49.17
	Mr. Manik Lal Dutta	36.80	34.03
	Mr. Ajay Goyal	39.04	36.69
	Investment made / (sold)		
	Unibev Limited (Formerly known as Uber Blenders & Distilleries Private Limited)	489.63	-
	Globus Trade Bay Limited (upto October 13, 2016)	(1.69)	-
	Rent paid		
	Rajasthan Distilleries Private Limited	76.81	72.54
	Biotech India Limited	59.89	28.28
	Associated Distilleries Limited	6.00	6.00
	Write off / write back made during the year		
	Himalayan Spirits Limited	1.63	-
	Globus Spirits (Jharkhand) Limited	122.87	-
	Interest income		
	Unibev Limited (Formerly known as Uber Blenders & Distillers Limited)	25.57	12.81
	Sale of goods		
	Globus Trade Bay Limited	-	564.62
	Biotech India Limited	-	10.75
	Purchase of fixed assets		
	GRAS education and training Services Private Limited	-	0.90
	Loan given		
	Unibev Limited (Formerly known as Uber Blenders & Distillers Limited)	114.00	216.00

29.2 Details of related party transactions during the year ended 31 March, 2017 and balances outstanding as at 31 March, 2017 (Contd.): (₹ in lacs)

Particulars	Current Year	Previous Year
Payments made on behalf of		
Unibev Limited (Formerly known as Uber Blenders & Distillers Limited)	30.50	41.58
Himalayan Spirits Limited	-	0.16
Biotech India Limited	6.85	2.39
Associated Distilleries Limited	-	0.87
Globus Spirits (Jharkhand) Limited	-	2.02
Globus Trade Bay Limited	-	1.62
GRAS education and training Services Private Limited	1.41	2.71
Rajasthan Distilleries Private Limited	0.07	-
Expenses reimbursed		
Biotech India Limited	6.85	2.39
GRAS education and training Services Private Limited	1.29	2.71
Balances outstanding at the end of the year		
Trade payables		
Rajasthan Distillers Private limited	-	0.16
Trade receivables		
Biotech India Limited	-	7.65
Security deposit given		
Associated Distilleries Limited	464.94	464.94
Biotech India Limited	13.32	13.32
Loans and advances		
Unibev Limited (Formerly known as Uber Blenders & Distillers Limited) (for the purpose of promoting the business of subsidiary)	-	322.11
Other receivable / (payable)		
Globus Trois Freres India Limited	0.26	0.26
Himalayan Spirits Limited	0.54	2.17
Globus Spirits (Jharkhand) Limited	-	122.87
Globus Trade Bay Limited	-	(26.80)
GRAS education and training Services Private Limited	0.12	-

Note 30 Details of leasing arrangements

Note	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	As Lessee		
30.1	The Company has entered into finance lease arrangements for certain vehicles, which provide the Company an option to purchase the assets at the end of the lease period.		
	Reconciliation of minimum lease payments		
	Future minimum lease payments		
	not later than one year	54.41	63.97
	later than one year and not later than five years	140.80	151.17
	later than five years	-	-
		195.21	215.14
	Less: Unmatured finance charges	33.08	39.90
	Present value of minimum lease payments payable	162.13	175.24
	not later than one year	39.23	48.53
	later than one year and not later than five years	122.90	126.71
	later than five years	-	-
		162.13	175.24
30.2	The Company has entered into operating lease arrangements for certain facilities. The leases are non-cancellable and are for a period of one year and may be renewed further based on mutual agreement of the parties.		
	Future minimum lease payments		
	not later than one year	2.90	-
	later than one year and not later than five years	-	-
	later than five years	-	-
		2.90	-
	Lease payments recognised in the Statement of Profit and Loss	237.31	198.21

Note 31 Details of borrowing costs capitalised

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Borrowing costs capitalised during the year		
- as capital work-in-progress	810.87	575.08
Total	810.87	575.08

Note 32 Earnings per share

(₹ in lacs)

	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Basic / Diluted		
	Profit for the year	901.93	1,253.77
	Less: Preference dividend and tax thereon	-	-
	Profit for the year attributable to the equity shareholders	901.93	1,253.77
	Weighted average number of equity shares (No. of shares)	28,799,268	28,799,268
	Par value per share (₹)	10	10
	Earnings per share - Basic / Diluted (₹)	3.13	4.35

Note 33 Deferred tax (liabilities) / assets

Note	Particulars	As at 31 March, 2017	As at 31 March, 2016
33.1	Deferred tax (liabilities) / assets		
	Tax effect of items constituting deferred tax liabilities		
	On difference between book balance and tax balance of fixed assets	(5590.40)	(5098.76)
	Tax effect of items constituting deferred tax liabilities	(5,590.40)	(5,098.76)
	Tax effect of items constituting deferred tax assets		
	Provision for gratuity and other employee benefits	70.90	59.02
	Provision for doubtful debts / advances	35.91	0.44
	Deferred Tax Assets on loss for the year	860.94	325.70
	Bonus payable	8.63	7.87
	Others	-	3.03
	Tax effect of items constituting deferred tax assets	976.38	396.06
	Deferred tax (liabilities) / assets (net)	(4,614.02)	(4,702.70)
33.2	The Company has recognised deferred tax asset on unabsorbed depreciation and / or brought forward business losses based upon projections for future		

Note 34 Details of Specified Bank Notes held and transacted during the period 8th November, 2016 to 30th December, 2016

Particular	Specified Bank Notes	Other Denomination Notes	Total Amount
	Amount	Amount	
Closing cash in hand as on 08.11.2016	20,510,000	355,500	20,865,500
Add: Permitted Receipts	2,180,500	1,414,000	3,594,500
Less: Permitted Payments	-	16,200	16,200
Less: Amount Deposited in Bank	22,690,500	1,388,000	24,078,500
Closing cash in hand as on 30.12.2016	-	365,300	365,300

Note 35

The Company's license for production of Extra Neutral Alcohol (ENA) from Grain in respect of one of the manufacturing plant located in Bihar was valid till March 31, 2017. The State Government of Bihar vide Notification No. 11/Adhi. Karya.-01-06/2016-235 dated January 24, 2017, inter alia, notified that the existing licenses of production of E.N.A from Grain based distilleries, or Bottling plants shall not be renewed by the State Government from the financial year 2017-18. The Company, aggrieved by the Notification, filed a writ petition in the Patna High Court challenging the constitutional validity of certain provisions under the Bihar Prohibition and Excise Act, 2016 so far as they relate to prohibition of manufacture and prevention of renewal of license pertaining to ENA. Subsequent to the year end, the High Court, while deciding the petition in favor of the Company on May 03, 2017 has, entirely, set aside the Notification dated 24th January . 2017 issued by the State Government so far as it prevents or denies the right of renewal of an existing license for production of ENA from grain based distilleries. Based on the decision of the High Court, the Company has applied for renewal of license with Registration, Excise and Prohibition Department, Government of Bihar Patna on May 05, 2017. The said application is currently pending with the department and the Company is confident of recommencing the operations in the financial year 2017-18 after the license is renewed.

Assets at the Bihar manufacturing plant have a net book value of ₹ 11,907.19 lacs (Gross book value ₹ 12,064.02 lacs) and also have alternative use. Pending detailed evaluation of the alternatives, In the view of the management, no provision is considered necessary to the carrying cost of these assets as at the balance sheet date.

Note 36 Previous year's figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signature to note 1 to 36

For and on behalf of the Board of Directors

Sd/-

Ajay K. Swarup
Managing Director
DIN-00035194

Sd/-

Manik Lal Dutta
Executive Director
DIN-00769308

Sd/-

Ajay Goyal
Chief Financial Officer

Sd/-

Santosh Kumar Pattanayak
Company Secretary
ACS-18721

Sd/-

Bhaskar Roy
Executive Director & CFO
DIN-02805627

Place : New Delhi

Date : May 19, 2017