

GLOBUS SPIRITS LIMITED

Annual Report
2008-2009



Globus Spirits

Company Information

Board of Directors

CHAIRMAN

Mr. Gautam Khandelwal
(Non Executive Director)

MANAGING DIRECTOR

Mr. Ajay Kumar Swarup

EXECUTIVE DIRECTOR

Mr. Manik Lal Dutta

WHOLETIME DIRECTORS & OCCUPIER

Mr. Rajesh Kumar Malik

Mr. Rameshwar Dayal Aggarwal

NON-EXECUTIVE DIRECTORS

Mr. Deepak Roy.

Mr. Joginder Singh Dhamija.

Mr. Santosh Kumar Bishwal

COMPANY SECRETARY

Mr. Santosh Kumar Pattanayak

Registered office:

C-631, New Friends Colony, New Delhi - 110 065

Corporate Office

D-26, Sector-3, NOIDA – 201301 (U.P.)

Works:

• **Globus Spirits Limited**, Shyampur, Tehsil-Behror,
Distt. Alwar - 301701 (Rajasthan)

• **Haaryana Organics** (A unit of Globus Spirits Limited)
4 KM, Chulkana Road, Samalkha - 132 101 Distt. Panipat
(Haryana)

Auditors:

M/s B.M. Chatrath & Co.

Chartered Accountants,

D-26, Sector - 3, NOIDA - 201301 (U.P.)

Bankers:

State Bank of India

website:



Our vision

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

Our values

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

Innovation

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

Underlying beliefs that support this objective:

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

We explore new opportunities and un-chartered territories

Profitability

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

Underlying beliefs that support this objective:

Profit is the responsibility of all in GSL

Profit allows us to re-invest in emerging business opportunities

Profit enables the achievement of our other corporate objectives



Corporate Highlights

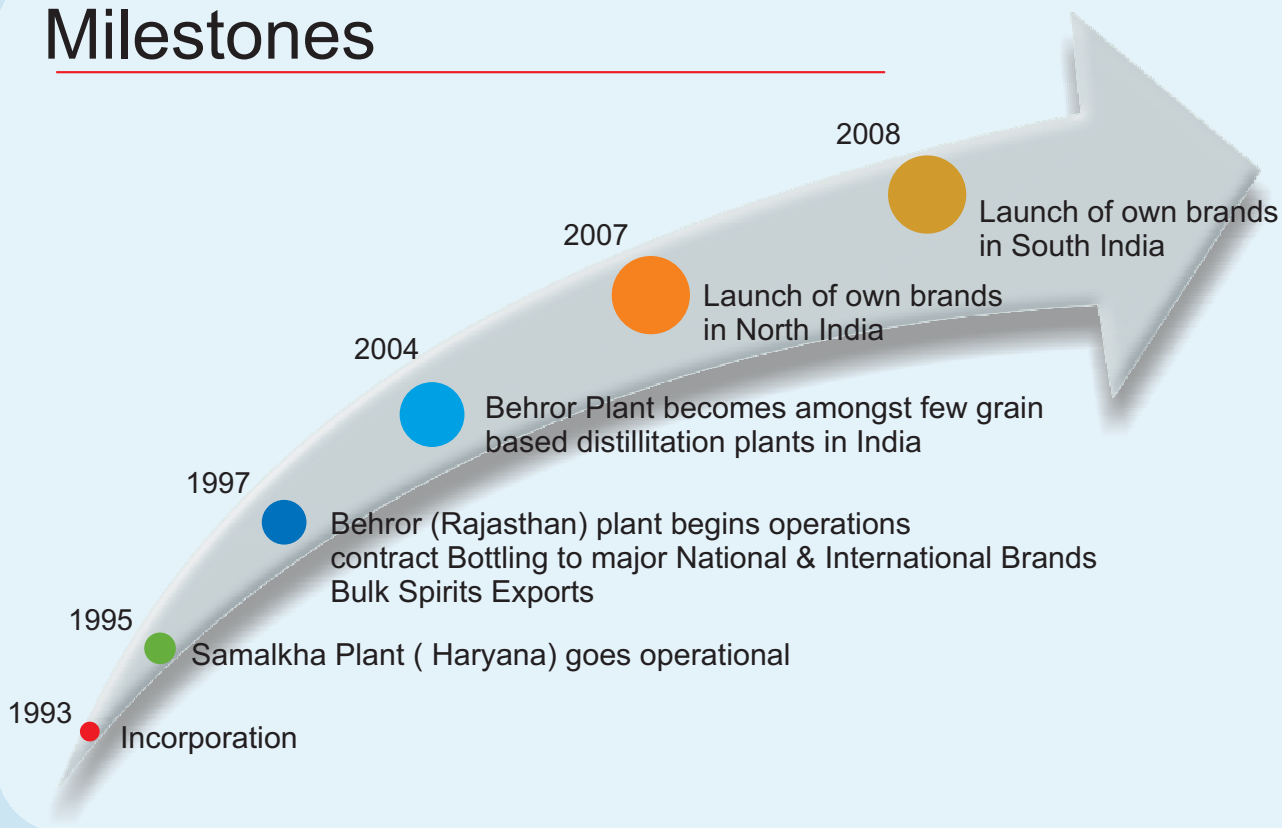
- Manufacture & Sale of IMFL, Industrial Alcohol & Country Liquor since 1993
- “Supplier of Choice” to National & International Brands for over a decade
- IDV (Diageo), Herbertsons (United Spirits Ltd.), Allied Blenders & Distillers Pvt. Ltd. & Jagatjit Industries Ltd.
- Supplier of Bulk Spirits (ENA)
 - United Spritis Ltd., Allied Blenders & Distillers Pvt. Ltd., Jagatjit Industries Ltd. & Seagram India (P) Ltd.
- Present in 4 States in North India and 3 States in South India
- Combined installed capacity of 28.8 Million Litres p.a.
 - Behror (Rajasthan)
 - Samalkha (Haryana)
- FY-09 Sales Revenue of Rs. 281.40 crores
- CAGR of over 30% over last 3 year smerging IMFL segment with > 10% segment share by 2012.

Our Values

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



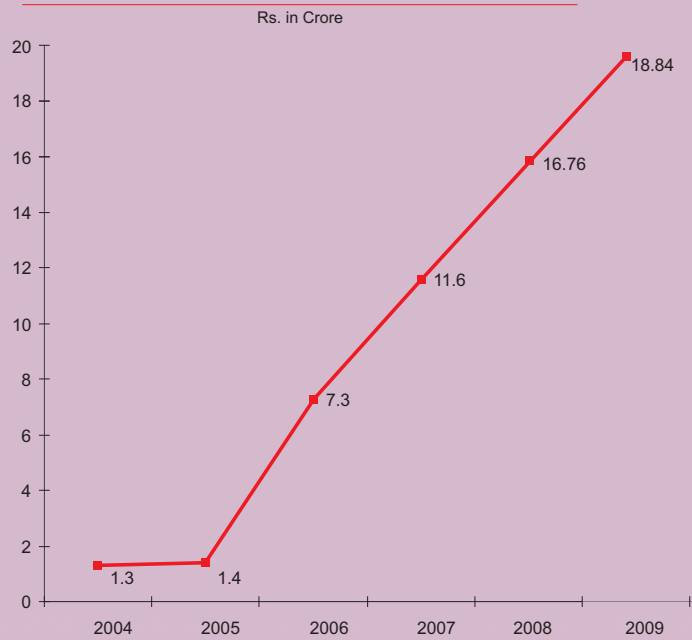
Milestones



Net Sales



Financials - Cash Earnings



Hannibal Legendary Rum was awarded with Silver Medal by Monde Selection Bruxelles-world selection of quality of Liguors & Spirits-2008



Our Brands



NOTICE

NOTICE is hereby given that the **Sixteenth Annual General Meeting** of the Members of the Company will be held on Thursday, 27th August, 2009 at 10.00 AM at C-631, New Friends Colony, New Delhi, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009, the Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Joginder Singh Dhamija, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Santosh Kumar Bishwal, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint auditors of the company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s B. M. Chatrath & Co., Chartered Accountants, retiring Auditors, are eligible for re-appointment.

Special Business :

5. Re-appointment of Mr. Manik Lal Dutta as Executive Director of the Company

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

“RESOLVED THAT subject to the approval of the Central Govt. and pursuant to the provisions of sections 198, 269, 309 read with Schedule-XIII and all other applicable provisions of the Companies Act, 1956, consent be accorded to the re-appointment of Sh. Manik Lal Dutta as Executive Director of the company for a period of three years w.e.f. 1st August 2009 on a monthly remuneration as under :

Basic Salary: Rs.45,000/- per month with suitable increases as determined by the Board.

HRA: Rs. 18,000/- per month with suitable increases as determined by the Board.

Special Allowance: Rs.6,750/- per month with suitable increases as determined by the Board.

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

Perquisites :

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

- (i) **Gratuity** not exceeding half month's salary for each completed year of service subject to a ceiling of Rs.10lakhs.
- (ii) **Bonus** as per company's rules and regulations.
- (iii) **Provision of car** with driver for use of company's business and for private purpose.

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

(v) **Earned / Privilege Leave :**

One month's leave with full pay and allowances for every 11 months of service subject to the condition that leave accumulated but not availed of will not be allowed to be encashed.

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

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

6. Increase in the remuneration of Sh. Ajay K. Swarup, Managing Director of the company

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

“RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 310, 192 read with Schedule-XIII and all other applicable provisions of the Companies Act, 1956, and pursuant to the provisions of Article of Association of the company, consent be accorded to the increase in the remuneration of Sh. Ajay K. Swarup, the Managing Director of the company w.e.f. 1st October 2009 who was appointed as Managing Director of the company for a period of five years w.e.f. 1st December 2006. His monthly remuneration will be as under :

Basic Salary : Rs.2,80,000/- per month with suitable increases as determined by the Board.

Special Allowance : Rs.68,000/- per month with suitable increases as determined by the Board.

HRA : Rs.70,000/- per month with suitable increases as determined by the Board.

Perquisites :

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

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

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

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

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

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

(vi) **Earned / Privilege Leave** : One month's leave with full pay and allowances for every 11 months

of service subject to the condition that leave accumulated but not availed of will not be allowed to be encashed.

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

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

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

By Order of the Board
For **Globus Spirits Limited**

(Santosh Kumar Pattanayak)
Company Secretary

Place : New Delhi
Date : 1st August, 2009

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The instrument appointing a proxy must be received at the Registered Office of the Company at least 48 hours before the commencement of the meeting.
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business is annexed hereto.

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

ITEM No. 4

The tenure ship of Mr. Manik Lal Dutta as Executive Director in the company expires on 31st July 2009. Hence your Board of Director proposes Mr. Manik Lal Dutta, being an experienced person in the allied field, to be re-appointed as Executive Director of the Company for a period of another 3 years w.e.f. 1st August, 2009, which requires the member's approval for the same.

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

None of the Directors except Mr. Manik Lal Dutta is interested in the resolution.

Board of Directors recommend the passing of the resolution.

ITEM No. 5

Your Board of Directors proposes to increase the remuneration of Sh. Ajay K. Swarup, the Managing Director of the company w.e.f. 1st October 2009. As per provisions of Section 198, 269, 309, 310, 192 read with Schedule-XIII and all other applicable provisions of the Companies Act, 1956, and pursuant to the provisions of Article of Association of the company, increase in remuneration of Sh. Ajay K. Swarup as Managing Director of the company requires confirmation of Share Holders of the company by passing Ordinary Resolution in the General Meeting of the company.

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

None of the Directors of the company except Sh. Ajay K. Swarup has any interest in the proposed resolution.

Board of Directors recommend the passing of the resolution.

By Order of the Board
For **Globus Spirits Limited**

(Santosh Kumar Pattanayak)
Company Secretary

Place : New Delhi
Date : 1st August, 2009



Directors' Report

DIRECTORS' REPORT

To the Members

Your Directors are pleased to present the Sixteenth Annual Report and Audited Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS		
	Current Year 2008-2009 (Rs. In Lacs)	Previous Year 2007- 2008 (Rs. In Lacs)
Sales	28,140.17	23,526.01
Profit/(loss) before Depreciation	2,567.27	2,346.83
Less: Depreciation	573.48	394.69
Profit/(Loss) after Depreciation	1,993.79	1,952.14
Profit /(Loss) before tax	1,993.79	1,952.14
Less: Provision for taxation	382.70	504.49
Fringe Benefit Tax	5.56	6.09
Deferred tax	312.38	177.40
Profit/ (Loss) after tax	1,293.15	1264.16
Balance brought forward	2,290.17	1026.01
Balance carried to Balance Sheet	3,583.32	2290.17

PERFORMANCE REVIEW

During the year under review your company reported a good performance, reflected in an increase in EBT by Rs.41.65 lacs over the previous year and an increase in EAT by Rs.28.99 lacs over the previous year. The EPS of the company is Rs.10.55 as compared to Rs.10.31 of previous year. Your Directors have pleasure to inform that the Company's turnover has been increased by 19.61% from Rs.235.26 Crores (Previous year) to Rs.281.40 Crores (Current year).

THE YEAR IN PERSPECTIVE

IPO PROPOSAL

During the year the company got the SEBI approval vide letter dated February 11, 2009 and necessary clearance from NSE & BSE for its public issue of 75,00,000 equity shares through 100% book building issue for financing its proposed expansion cum modernization projects amounting to Rs.89.28 crores.

LISTING OF SECURITIES

During the year the company has applied with Bombay Stock Exchange and National Stock Exchange for getting its securities listed on these stock exchanges and subsequently the company also obtained in-principal approval for the same.

DEMATERIALIZATION OF SECURITIES

As the company is in the process of Initial Public Issue, the option for holding the securities in dematerialization form is also available with the company. The ISIN for the same is: INE615101010, and the same is activated by NSDL & CDSL during the year 2007-08 itself.

BUSINESS IN COUNTRY LIQUOR SEGMENT

During the year the company has further strengthened its position as one of the major players in country liquor segment in the state of Rajasthan, Haryana & Delhi. During the current year the company has also entered the Chandigarh market.

BUSINESS IN IMFL SEGMENT

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

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

OUTSOURCING ARRANGEMENTS / BOTTLING TIE-UPS

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

CAPITAL & FINANCE

During the year there is no changes has been made in the Authorised, Issued & Paid-up capital of the company.

MATERIAL CHANGES AFTER 31/03/2009

Tie-up with M/s Jagatjit Industries Ltd. for bottling their IMFL Brands at Samalkha for marketing & sale in the state of Haryana.

DIVIDEND

In view of the necessity to conserve the available resources, your Directors do not recommend any dividend for the year 2008-09.

FUTURE OUTLOOK

IMFL INDUSTRY

1. Industry growth at +10% p.a. & Slated CAGR of ~13% till 2011.
2. Premium & Prestige Whisky segment to grow at +20% in next 3-4 years.
3. Vodka market growth at +45% p.a.
4. Regular segment constituting ~45% of market showing steady absolute volumes.

GSL ROADMAP

Our aim is to create & nurture alcoholic beverage brands of choice for progressive Indians: and be a leading player in the emerging IMFL Segment.

PUBLIC DEPOSITS

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

DIRECTORS

During the year Mr. Manik Lal Dutta whose period of office as Executive Director expires on 31/07/2009 & again he was re-appointed by the Board on 1st August 2009 & he has been proposed to be re-appointed as Executive Director of the company in the forthcoming Annual General Meeting. Mr. Joginder Singh Dhamija & Mr. Santosh Kumar Bishwal, the Non-Executive & Independent Directors of the company who retires by rotation and being eligible offers themselves for re-appointment. The Board recommends their re-appointment. During the year there being no other changes made in the Board of Directors.

CORPORATE GOVERNANCE

Since the company is still an unlisted company and is yet to be listed on the Designated Stock Exchanges and as the company believes in the concept of good Corporate Governance involving transparency, empowerment, accountability and integrity with a view to enhance stake holder value & to meet the requirements of Clause 49 of the listing agreement the Board of Directors of the company consists of 50% non-executive and independent directors and 50% are executive directors and the chairman being a non-executive director. During the year 2008-09 the Board of directors met nine times on 23-05-08, 26-05-08, 04-07-08, 01-09-08, 22-09-08, 03-10-08, 31-10-08, 10-01-09 & 12-03-09.

Complying with clause 49 of the listing agreement, the Board has adhered to the time gap between two meetings.

The Board of Directors of the company has constituted various committees such as Audit Committee, Remuneration Committee, Share Transfer Committee, Investor Grievance Redressal Committee, IPO Committee and Selection Committee etc. and the meeting of these committees are also being held as & when require by them.

AUDITORS

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

AUDITORS' REPORT

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

PARTICULARS OF EMPLOYEES

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

Sl. No.	Name	Age	Designation	Gross Remuneration	Qualification In years	Experience	Date of commencement of employment	Particulars of last employment
1	Mr. Ajay K. Swarup	48	Managing Director	25,08,000/- p.a. + other perquisites.	PGDBM (IIM, Kolkata)	25	December 01, 2006	M/s SVP Industries Ltd.

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

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

PERSONNEL

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

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

Management's Discussion and Analysis Report is given in Annexure II and form part of this report.

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

1. In preparation of the Annual Accounts, the applicable Accounting Standards has been followed by the company.
2. Appropriate accounting policies have been selected and applied constantly and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company as at 31st March, 2009 and of the Profit of the Company for the year ended 31st March, 2009.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Annual Account has been made on going concern basis.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Sd/-
(Manik Lal Dutta)
Executive Director

Sd/-
(Ajay K. Swarup)
Managing Director

Place: New Delhi
Date : 1st August, 2009

Annexure I to the Directors' Report 2008-09

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

(A) Conservation of Energy

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

a) *Energy Conservation Measures Taken:*

-NIL.

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

The company has proposal to install 20MT High Pressure Boiler with 2MW Back Pressure Turbine at both the distilleries, which would use Biogas and Biomass as fuel. This apart from helping to conserve fuel and energy, it will also be eligible for Carbon Credit.

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

-NIL

(B) Technology Absorption

FORM - B

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

(i) The Company's plants are based on indigenous technology which has been fully absorbed.

(ii) The Company does not have separate Research & Development Section. However, steps are being taken continuously for:

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

(iii) Expenditure of R & DNil

(C) Foreign Exchange earnings & Outgo	2008-2009	2007-2008
Foreign Exchange earnings	NIL	33,000USD
Foreign Exchange used	NIL	NIL

For and on behalf of the Board of Directors

Sd/-
(Manik Lal Dutta)
Executive Director

Sd/-
(Ajay K.Swarup)
Managing Director

Place: New Delhi
Date : 1st August, 2009

Annexure II to the Directors' Report 2008-09

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

Sales Revenues

During FY 2008-09, net sales (net of excise) jumped to INR 19713.30 Lac from INR 15692.37 Lac in the previous year. An over 25% rise is clearly explained by increase in sale of Industrial Spirit and number of Country Liquor cases in FY ending 2009. Against 1,23,94,550 BL of Industrial Spirit and 47,38,214 cases of Country Liquor sold in FY 2007-08, GSL sold 1,35,07,262 BL of the Indl. Spirit and 49,23,042 cases of Country Liquor. IMFL sales of franchise & own brands also increased substantially in FY 2008-09 to 943719 cases from 615374 cases in FY 2007-08. This also contributed substantially to the growth in sales revenue.

Total Income

The rise in total income is due to rise in sales as explained above. The other income is at the same level as per last year.

Raw Material Consumed

Raw Material Consumed during FY 2008-09 was 62.56 % of the Total Income at INR 12633.37 Lac against 60.93% of Total Income in FY 2007-08 at INR 9844.45 Lac. In proportion to Total Income the raw material consumption increased during FY 2008-09 by approx 2% as the year witnessed increase in input costs of Raw material.

Manufacturing Expenses

Manufacturing expenses increased from 14.40% of the Total Income in 2007-08 to 14.96% in 2008-09. This is due to additions in bottled products of IMFL from 615374 cases in FY 2007-08 to 943719 cases in FY 2008-09.

Staff Costs

Given economies of scale the staff cost dropped marginally from 1.60% of the Total Income in 2007-08 to 1.54% in FY 2008-09.

Administrative & Selling Expenses

The admin and selling expenses during FY 2008-09 was 6.77% of the Total Income in comparison to 7.89% in FY 2007-08. The administrative expenses in absolute figs dropped from Rs 236.01 lacs in FY 2007-08 to Rs 214.76 Lacs in FY 2008-09 due to strict control on overheads. Though the selling expenses in absolute fig rose from Rs 1020.72 lacs in FY 2007-08 to Rs 1134.27 Lacs in FY 2008-09 in percentage terms to total income the overall overhead decreased during the year.

Profit Before Interest, Depreciation, Tax and Amortization (PBIDTA)

PBIDTA increased from INR 2453.22 Lac in FY 2007-08 to INR 2863.49 Lac in the previous FY, which on Total Income was 14.18% as compared to 15.18 % in FY 2007-08. The same was due to increase in raw Material costs resulting lower contribution.

Interest and Finance Expenses

The interest and finance charges grew by 0.81% in proportion to the Total Income from FY ended 2008 to 2009. The same was on account of increase in borrowings to fund the enhanced operations of new IMFL market. The year also witnessed escalation in the interest rates.

Depreciation

The depreciation was charged at INR 573.48 Lac in FY 2008-09 as against INR 394.69 LAC in year ended 2008. The increase can be attributed to additions during the year.

Profit after Tax (PAT)

In absolute terms PAT grew from INR 1264.16 lacs in FY 2007-08 to INR 1293.15 lacs in FY 2008-09. As a percentage to Total Income, PAT decreased from 7.82% in FY 2007-08 to 6.40% at the close of previous FY. Although proportionate earnings grew with increase in value added products, full benefit is not visible in PAT as it was contained by higher Raw Material Costs, Selling Exp., Finance Cost and Depreciation.

For and on behalf of the Board of Directors

Sd/-
(Manik Lal Dutta)
Executive Director

Sd/-
(Ajay K.Swarup)
Managing Director

Place: New Delhi
Date : 1st August, 2009





Auditor's Report

To the Members of M/s. GLOBUS SPIRITS LIMITED **(formerly Globus Agronics Limited)**

We have audited the attached Balance Sheet of **M/s. GLOBUS SPIRITS LIMITED** as at 31st March 2009 and also the Profit & Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our Audit.

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

1. As required by the Companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and according to information and explanation given to us during the course of audit and on the basis of such checks as we consider appropriate, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order, to the extent applicable.
2. Further to our comments in the annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of those books.
 - (iii) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
 - (iv) In our opinion, the Balance Sheet and Profit & Loss Account comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the companies act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2009 ;
 - (b) In the case of Profit & Loss Account, of the Profit for the year ended on that date and;
 - (c) In the case of Cash Flow Statement of the cash flow of the company for the year ended on that date.

For B. M. Chatrath & Co.,
Chartered Accountants
Sd/-
UMESH C. PANDEY
Partner

Place : New Delhi
Dated : 17th June, 2009

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in Paragraph 3 of our Report of even date of accounts of **Globus Spirits Limited**, for the year ended 31st March 2009)

- i) (a) The Company has maintained reasonable proper records showing particulars including quantitative details and situation of fixed assets.
 - (b) As explained to us, these fixed assets have been physically verified by the management during the period at reasonable intervals and no material discrepancies between the book records and the physical inventory were noticed.
 - (c) According to information and explanation given to us, since the company has not disposed off a substantial part of the fixed assets during the period, paragraph 4(1) (c) of the companies (Auditor's Report) order,2003 is not applicable.
- ii. (a) The inventory has been physically verified during the period by the management. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory, Discrepancies noticed on verification between physical stocks and the book records were not material.
- iii. (a) In our opinion and according to the information and explanations give to us, the Company has not granted or taken unsecured loan to and from parties covered in the register maintained under section 301 of the Act.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods. During the course of our audit we have not observed any continuing failure to correct major weakness in internal controls.
- v. No transactions have been entered during the year in the registered maintained in pursuance of section 301 of the Companies Act, 1956 and based on the audit procedures applied by us and according to the information & explanation given to us, we have not come across any transactions that need to be entered into the register maintained in pursuance of section 301 of the Companies Act, 1956. Accordingly sub clause (b) is not applicable.
- vi. In our opinion and according to the information & explanations given to us, the company has not accepted any deposit from public during the year under the provisions of section 58A, 58AA or any other relevant provisions of the companies Act 1956 and the companies (Acceptance of Deposit) Rules, 1975.
- vii. In our opinion and according to the information and explanation given to us, the company has an internal audit system commensurate with the size and nature of its business.
- viii. According to the information and explanation given to us the company has maintained cost records prescribed by the Central Government under clause (d) of sub section (1) of the section 209 of the Act.
- ix. (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including the Provident Fund, Investor Education Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Cess and any other statutory dues applicable to it except income tax of Rs.2,00,00,000/- and a TDS of Rs.7,01,359/- has been paid till date out of the total Income Tax provision of Rs.3,82,70,369/- for the year ending 31st March 2009 and in

- case of any delayed payment the company has paid proper interest thereon.
- (b) According to the information and explanation given to us no undisputed amount payable in respect of Income Tax, Sales Tax and Cess were in arrears as at 31st March 2009 for a period of more than six months from the date they became payable.
 - (c) According to the information and explanation given to us, there are no dues of Sales Tax, Income Tax and Cess which have not been deposited on account of any dispute.
- x. (a) In our opinion the company does not have accumulated losses. The company has not incurred cash losses during the period covered by our audit and the immediately preceding financial year.
 - xi. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution or bank and or debenture holders.
 - xii. In our opinion and according to the information and explanation given to us, the company has not granted any loan and advances on the basis of security by way of pledge of shares, debentures and others securities.
 - xiii. In our opinion and according to the information and explanation given to us, the company is not a Chit Fund or a Nidhi Mutual Benefit Fund/ Society therefore the provisions of clause 4 (xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
 - xiv. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
 - xv. In our opinion the company has not given any guarantee for loan taken by others from bank or financial institutions, accordingly the provisions of clause 4 (xv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
 - xvi. In our opinion the term loan have been applied for the purpose for which they were raised.
 - xvii. According to the information and explanation given to us the funds raised on short term basis have not been utilized for long term investment.
 - xviii. According to the information and explanations given to us, during the year the company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Act.
 - xix. According to the information and explanations given to us, the company has not issued debentures.
 - xx. According to the information and explanations given to us, the company has not raised money by public issue.
 - xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the period.

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

Sd/-
UMESH C. PANDEY
PARTNER

PLACE : NEW DELHI

DATED : 17th June, 2009

Globus Spirits Limited
(Formerly Globus Agronics Limited)
BALANCE SHEET AS AT 31ST MARCH'2009

	Schedule	As at 31.03.2009	As at 31.03.2008
SOURCE OF FUNDS :			
Shareholders Funds :			
Share Capital	A	122,577,410	122,577,410
Reserve & Surplus	B	475,154,687	345,839,773
Total (i)		<u>597,732,097</u>	<u>468,417,183</u>
Loan Funds :			
Secured Loans (ii)	C	163,667,362	131,086,151
Unsecured Loans (iii)	D	9,402,105	15,903,653
Deferred tax liability		76,112,321	44,874,617
Total Funds employed (i + ii + iii)		<u>846,913,885</u>	<u>660,281,604</u>
APPLICATION OF FUNDS :			
Fixed Assets :			
Gross Block	E	865,653,861	606,679,046
Less : Depreciation		302,345,589	244,997,301
Net Block		<u>563,308,272</u>	<u>361,681,745</u>
Capital Work in Progress		3,956,777	37,991,211
Investments	F	259,253	259,253
Current Assets, Loans & Advances			
Interest accrued but not due	G	1,105,513	328,694
Inventory		233,255,457	154,247,400
Sundry Debtors		258,432,418	244,449,673
Cash & Bank Balances		23,889,653	16,816,513
Loans & Advances		126,653,940	107,159,531
Deferred Revenue- Brand Promotion Exps		5,302,248	7,069,664
Total		<u>648,639,229</u>	<u>530,071,475</u>
Less : Current Liabilities & Provisions	H		
Liabilities		369,283,712	269,776,681
Net Current Assets		<u>279,355,517</u>	<u>260,294,794</u>
Miscellaneous Expenditure	I	34,066	54,601
(To the extent not written off or adjusted)			
Total (i) + (ii) + (iii) + (iv)		<u>846,913,885</u>	<u>660,281,604</u>

Annexed to our Report of even date

For & on Behalf of the Board

For B.M.Chatrath & Co.
Chartered Accountants

Sd/-
(Umesh C. Pandey)
Partner

Place : New Delhi
Date : 17th June, 2009

Sd/-
(Ajay K. Swarup)
Managing Director

Sd/-
(Dr. Bhaskar Roy)
E. V. P & C. F. O.

Sd/-
(Manik Lal Dutta)
Executive Director

Sd/-
(Santosh Kr. Pattanayak)
Company Secretary

Globus Spirits Limited
(Formerly Globus Agronics Limited)

**PROFIT & LOSS ACCOUNT FOR THE PERIOD
ENDED 31ST MARCH, 2009**

	Schedule	For the period ended 31st March'2009	For the period ended 31st March'2008
INCOME			
Sales		2,814,017,225	2,352,600,555
Other Income	J	26,611,684	27,636,160
Increase / (Decrease) in Stock	K	21,598,585	18,873,438
Total Income		<u>2,862,227,494</u>	<u>2,399,110,153</u>
EXPENDITURE			
Raw & Packing Material Consumed	L	1,263,337,260	984,444,720
Manufacturing Expenses	M	302,116,931	232,717,721
Excise Duty Paid		842,687,351	783,363,706
Employees Remuneration & Benefits	N	31,045,826	25,799,630
Administration & Other Expenses	O	21,475,981	23,601,313
Financial Expenses	P	29,621,561	10,639,762
Selling & Distribution Expenses	Q	113,427,288	102,072,480
Deffered Revenue- Brand Promotion W/Off		1,767,416	1,767,416
Perliminary Exp. Written-off		20,535	20,535
Total Expenditure		<u>2,605,500,149</u>	<u>2,164,427,283</u>
Profit/ (Loss) before depreciation & prior period & extra ordinary		256,727,344	234,682,870
Less: Depreciation during the year		57,348,289	39,468,753
Profit before Tax		<u>199,379,055</u>	<u>195,214,117</u>
Less: Provision for taxation			
Current Tax		38,270,369	50,449,130
Deferred tax		31,237,704	17,740,234
Fringe Benefit Tax		556,068	608,657
Profit after Tax		<u>129,314,914</u>	<u>126,416,096</u>
Balance brought forward		<u>229,016,908</u>	<u>102,600,811</u>
Balance carried forward to Balance Sheet		<u>358,331,822</u>	<u>229,016,908</u>

Annexed to our Report of even date

For & on Behalf of the Board

For B.M.Chatrath & Co.
Chartered Accountants

Sd/-
(Umesh C. Pandey)
Partner

Place : New Delhi
Date : 17th June, 2009

Sd/-
(Ajay K. Swarup)
Managing Director

Sd/-
(Dr. Bhaskar Roy)
E. V. P & C. F. O.

Sd/-
(Manik Lal Dutta)
Executive Director

Sd/-
(Santosh Kr. Pattanayak)
Company Secretary

Globus Spirits Limited

(Formerly Globus Agronics Limited)

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009

Description	As at 31st March'09	As at 31st March'08
Schedule 'A'		
SHARE CAPITAL		
Authorised :		
2,50,00,000 Equity Shares of Rs. 10 each	250,000,000	250,000,000
Issued, Subscribed & Paid up:		
76,88,494 Equity Shares of Rs 10 each, fully paid-up	76,884,940	76,884,940
Preferential Allotment of 1,50,000 equity shares	1,500,000	1,500,000
Preferential Allotment of 500,000 equity shares	5,000,000	5,000,000
3919247 Bonus Shares Issued @10/-	39,192,470	39,192,470
(Out of the above 1,13,67,510 shares are held by Chandbagh Investments Ltd, the Holding Company.)	122,577,410	122,577,410
Schedule 'B'		
RESERVE & SURPLUS		
General Reserve		
Opening Balance	75,515,335	75,515,335
Security Premium Account	80,500,000	80,500,000
Transferred from Profit & Loss Appropriation Account	-	-
Less: Issued 3919247 bonus shares @ Rs.10/	39,192,470	39,192,470
	116,822,865	116,822,865
Surplus/ (Deficit)		
Transferred to/ from Profit & Loss Appropriation Account	358,331,822	229,016,908
Total	475,154,687	345,839,773
Schedule 'C'		
SECURED LOANS		
SBI-CC Limit (Book Debts)	141,142,182	97,358,064
SBI TERM LOAN	19,312,920	28,610,534
(Secured by hypothecation of entire current assets and moveable assets of the Company and equitable mortgage over land & building		
From ICICI Ltd / ABN AMRO Auto Finance	3,212,260	5,117,553
(Secured by hypothecation of the vehicles)		
Total	163,667,362	131,086,151
Schedule 'D'		
UNSECURED LOANS		
Inter Corporate Deposits (Interest Free)	1,738,476	1,738,476
Global Trade Finance	3,832,115	14,165,177
ABN Amro Bank	3,831,514	-
	9,402,105	15,903,653

Globus Spirits Limited

(Formerly Globus Agronics Limited)

SCHEDULES FORMING PART OF BALANCE SHEET

Schedule 'E'

Fixed Assets as at 31st March, 2009

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

Particulars	GROSS BLOCK				DEPRECIATION				31/03/2009	31/03/2008
	As on 01/04/2008	Additions	Sale/ Disposal	As on 31/03/2009	Upto 01/04/2008	During the Year	Sale/ Disposal	Upto 31/03/2009		
Land	13,697,583	-	-	13,697,583	-	-	-	-	13,697,583	13,697,583
Factory Building	92,801,376	73,412,960	-	166,214,336	30,156,145	4,702,741	-	34,858,886	131,355,450	62,645,231
Plant & Machinery	437,541,108	138,509,397	-	576,050,505	196,928,705	44,164,351	-	241,093,056	334,957,449	240,612,403
Electric Fitting	4,528,790	532,717	-	5,061,507	3,324,821	286,833	-	3,611,654	1,449,853	1,203,969
Vehicles	27,304,191	-	-	27,304,191	8,817,170	4,810,823	-	13,627,993	13,676,198	18,487,021
Furniture	5,827,565	259,864	-	6,087,429	1,716,978	779,719	-	2,496,697	3,590,732	4,110,587
Office Equipments	2,823,705	245,671	-	3,069,376	1,231,912	239,905	-	1,471,817	1,597,559	1,591,793
Wireless System	159,052	-	-	159,052	146,308	1,773	-	148,081	10,971	12,744
Tools & Equipments	10,993	-	-	10,993	9,434	312	-	9,746	1,247	1,559
Computer	2,530,938	252,965	-	2,783,903	1,798,710	361,194	-	2,159,904	623,999	732,228
Tractors	1,476,564	-	-	1,476,564	829,364	194,160	-	1,023,524	453,040	647,199
Intangible-Knowhow & New Brand Development	17,977,181	45,761,241	-	63,738,422	37,752	1,806,480	-	1,844,232	61,894,190	17,939,429
TOTAL	606,679,046	258,974,815	-	865,653,861	244,997,300	57,348,289	-	302,345,588	563,308,273	361,681,746
Previous Year	434,619,070	172,671,976	612,000	606,679,046	206,045,789	39,468,752	517,240	244,997,300	361,681,746	228,573,281
Capital work in progress	37,991,211	-	-	3,956,777	-	-	-	-	3,956,777	-

**As at
31st March'09** **As at
31st March'08**

Schedule 'F'

INVESTMENTS (Current)

Quoted In Shares

(Face Value Rs.10/- each)

Burroughs Welcome (India) Ltd

(Previous Year - 100 shares)

Unquoted Shares

Biotech India Ltd.

In Units of Mutual Funds

(Face Value Rs.10/- each)

Kothari Pioneer FMCG Fund- Dividend Payout

(Previous year 1229.746 units)

Less: Provision for dimunition in value of Investments

Total

No of Shares

100

22,430

No. of Units

1,229.746

18,265

224,300

16,688

259,253

259,253

18,265

224,300

16,688

259,253

259,253

-

Globus Spirits Limited

(Formerly Globus Agronics Limited)

SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31st March'09	As at 31st March'08
Schedule 'G'		
CURRENT ASSETS, LOANS & ADVANCES :		
Current Assets :		
Interest accrued but not due	1,105,513	328,694
Inventories :		
(Physical Inventory taken, verified, valued & certified by the Management)		
Raw Material (valued at average cost)	78,387,299	51,939,207
Packing Material (valued at average cost)	56,427,398	23,599,748
Fuel ,Stores & Spares(valued at cost)	14,797,965	17,195,668
Finished Goods (valued at cost or market price whichever is lower)	82,263,362	60,664,777
Material in transit	1,379,434	848,000
	<u>233,255,457</u>	<u>154,247,400</u>
Sundry Debtors : Unsecured considered good		
Debts outstanding for a period exceeding six months	9,146,694	14,293,965
Doubtful Debtors	537,256	644,397
Other Debts	248,748,468	229,511,311
	<u>258,432,418</u>	<u>244,449,673</u>
Cash & Bank Balances :		
Cash in hand	502,998	978,165
Imprest with staff	1,283,517	1,031,650
Balance with Scheduled Banks in :		
Current Accounts	20,506,500	10,447,218
Fixed Deposit	1,430,000	1,230,000
Cheques in Hand / Transit	166,638	3,129,480
Total	<u>23,889,653</u>	<u>16,816,513</u>
LOANS & ADVANCES :		
Loans :		
(Considered good) (Interest free)		
To staff	252,144	643,290
Advances (unsecured) (Considered good)	25,538,943	15,609,061
Advances recoverable in cash as TDS or for value to be received :	1,220,233	518,874
Advances for Capital Goods	15,773,666	13,080,387
Advance to Suppliers & others	27,630,858	29,280,576
Duty & Taxes	4,564,532	18,734,652
Security Deposit	32,889,175	16,486,291
Pre-paid Expenses	16,383,229	10,805,240
Sales Tax Deposited (Under Protest)	1,001,160	1,001,160
Advance Fee For Punjab Licence	1,400,000	1,000,000
Total	<u>126,653,940</u>	<u>107,159,531</u>
Deffered Revenue- Brand Promotion :		
Opening Balance	7,069,664	8,837,080
Add During the year	-	-
Less: Written Off	1,767,416	1,767,416
Total	<u>5,302,248</u>	<u>7,069,664</u>

Globus Spirits Limited

(Formerly Globus Agronics Limited)

SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31st March'09	As at 31st March'08
Schedule 'H'		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities :		
Sundry Creditors	264,223,032	191,405,138
Creditors for Capital goods	9,817,769	11,703,254
Advances from customers	7,352,774	2,768,939
Other Liabilities	87,890,137	63,899,350
Total	<u>369,283,712</u>	<u>269,776,681</u>
Schedule 'I'		
MISCELLANEOUS EXPENDITURE		
(To the extent not written-off or adjusted)		
Preliminary Expenses & Pre-operative expenses		
Balance as per last year	54,601	75,136
Add : Preliminary expenses	-	-
Less : Amortized during the year	20,535	20,535
	<u>34,066</u>	<u>54,601</u>
Schedule 'J'		
OTHER INCOME		
Excess Provisions written back		52,257
Other Operating Income	17,343,045	16,304,588
Interest Received	2,029,150	3,316,871
Profit on sale of Fixed Assets	-	40,240
Miscellaneous Income	7,239,489	7,922,204
	<u>26,611,684</u>	<u>27,636,160</u>
Schedule 'K'		
INCREASE / (DECREASE) IN STOCK		
Closing Stock	82,263,362	60,664,777
Less: Opening Stock	60,664,777	41,791,339
	<u>21,598,585</u>	<u>18,873,438</u>
Schedule 'L'		
RAW MATERIAL & PACKING		
MATERIAL CONSUMED		
1 Raw Material		
Opening Stock	51,939,207	36,254,687
Add : Purchases	860,029,308	610,670,732
	<u>911,968,515</u>	<u>646,925,419</u>
Less: Closing Stock	78,387,299	51,939,207
Raw Material Consumed	<u>833,581,216</u>	<u>594,986,212</u>
2. Packing Material		
Opening Stock of Packing Material	23,599,748	9,395,266
Add : Purchases of Packing Material	462,583,694	403,662,990
	<u>486,183,442</u>	<u>413,058,256</u>
Less : Closing Stock	56,427,398	23,599,748
Packing Material Consumed	<u>429,756,044</u>	<u>389,458,508</u>
Total of 1&2	<u>1,263,337,260</u>	<u>984,444,720</u>

Globus Spirits Limited

(Formerly Globus Agronics Limited)

SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31st March'09	As at 31st March'08
Schedule 'M'		
MANUFACTURING EXPENSES		
Opening Stock Power & Fuel	17,195,668	10,854,855
Add : Purchases	117,286,568	102,382,301
	<u>134,482,236</u>	<u>113,237,156</u>
Less: Closing Stock	14,797,965	17,195,668
Power and Fuel Consumed	<u>119,684,271</u>	<u>96,041,488</u>
Chemicals & Stores	34,048,174	20,913,592
Repairs: Plant & Machinery	2,256,083	6,024,243
: Factory Building	69,402	1,098,239
Licence Fees	13,157,367	5,378,280
Security Expenses	1,351,295	964,208
Conversion Charges	21,560,727	16,520,648
Bottling Expenses/Fees	93,458,787	65,371,003
Land Lease	2,576,725	1,275,799
Inspection, Testing & Sampling	248,420	203,161
Effluent Disposal	2,918,339	1,328,743
Pollution Consent Fees	-	94,144
Flour feeding charges/ Pet Coke Feeding	2,304,857	1,312,474
RS T/f fee	40,000	
Freight & Cartage	7,536,282	13,905,302
Service Tax on Transportation	906,202	2,286,397
Total	<u>302,116,931</u>	<u>232,717,721</u>
Schedule 'N'		
EMPLOYEES REMUNERATION & BENEFITS		
Salary & Wages	29,170,722	23,288,854
PF Contribution	164,594	1,039,553
Provision for Leave Encashment	78,637	51,232
Provision for Gratuity	508,378	158,779
Staff Tea & Food Expenses	1,123,495	1,261,212
Total	<u>31,045,826</u>	<u>25,799,630</u>

Globus Spirits Limited

(Formerly Globus Agronics Limited)

SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31st March'09	As at 31st March'08
Schedule 'O'		
ADMINISTRATIVE & OTHER EXPENSES		
Legal, Professional & Consultancy	1,278,563	611,468
Printing & Stationery	971,217	792,139
Postage & Telephone	1,775,393	1,425,382
Travelling Expenses	3,796,030	2,929,723
Subscription, Books & Periodicals	547,121	497,868
Wealth Tax	91,843	14,230
Electricity Expenses	293,522	-
Rent	882,235	1,265,500
Repair & Maintenance - Others	5,952,986	10,785,634
Insurance	1,528,394	1,564,716
Advertisement	217,403	288,111
Rates & Taxes	424,099	165,326
Income Tax / Sales tax Paid	117,760	-
Audit Fee	125,000	216,360
Recruitment & Training	87,780	70,210
Vehicle Repair & Maintenance	1,116,277	906,390
Conveyance	603,428	213,406
Management Audit	11,500	82,495
Miscellaneous Expenses	1,213,028	1,458,224
Donation	442,402	314,131
Total	<u>21,475,981</u>	<u>23,601,313</u>
Schedule 'P'		
FINANCIAL EXPENSES :		
Interest	27,724,482	9,450,968
Bank Charges	1,897,079	1,188,794
Total	<u>29,621,561</u>	<u>10,639,762</u>
Schedule 'Q'		
SELLING & DISTRIBUTION EXPENSES :		
Discount, Claims & Rebates	9,580,937	3,814,866
Royalty to BDA	41,128,970	68,264,353
Carriage & Freight outward	42,104,603	15,457,668
Excise Establishment & Supervision/Export fee	3,173,831	2,113,235
Sales Promotion Expenses	2,077,426	1,831,153
Sales Incentive	479,194	13,400
Delhi Godown Expenses	8,864,504	8,875,050
Marketing Commission	6,017,823	1,394,455
CL L-13 Expenses	-	308,300
Total	<u>113,427,288</u>	<u>102,072,480</u>

Globus Spirits Limited

(Formerly Globus Agronics Limited)

NOTES FORMING PART OF BALANCE SHEET FOR THE YEAR ENDED ON 31ST MARCH 2009.

A. SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION

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

2. FIXED ASSETS (Including Intangible Asset)

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

3. DEPRECIATION

The company has charged the depreciation under the W.D.V. method in accordance with the Companies Act, 1956.

4. INVENTORY

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

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

5. INVESTMENTS

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

6. REVENUE RECOGNITION

- Revenue in respect of domestic sale of the goods and scrap material is recognized at the point of dispatch to the customers from warehouse.
- Sales are net of Sales return.
- Investment income :- Income from investments is accounted for in the year in which right to receive of such income is established

7. RETIREMENT BENEFITS

Provisions for contribution to retirement benefits scheme are made as follows

- Provident fund on actual liability basis
- Provision for Gratuity and Leave encashment has been provided for as per actuary's valuation method up to 31st March, 2009 amounting to Rs.15,43,192/-.

8. EARNING PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares

Globus Spirits Limited

(Formerly Globus Agronics Limited)

outstanding during the year. The Company has not issued any potential equity shares, and accordingly, the basic earnings per share and diluted earnings per share are the same.

9. Impairment of assets

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

B. NOTES TO ACCOUNTS

1. In the opinion of the Board, the value of Current Assets, Loans & Advances in the ordinary course of business will not be less than the value at which they have been stated in the Balance sheet
2. Balances of Debtor & Creditors and Advances to and from parties are subject to Reconciliation & Confirmation
3. The amount falling due within one year in respect of secured loans is Rs.92,00,000/-
4. The profit & loss account and Balance sheet comply with accounting standards referred to in section 211(3C) of the Companies Act 1956.
5. Accounting Standard (AS) -17 "Segment Reporting" is not applicable in case of company because company is involved in only one type of product Industrial & Potable Alcohol.
6. There is no amount due to small-scale industries over Rs.1 lac shown under the head "Sundry Creditors"
7. "Deferred revenue- Brand Promotion Expenses" appearing in Schedule G in the Balance Sheet are the expenditure incurred on promoting company's new IMFL brands already launched during the year 2007 and which will give perpetual benefit to the company and thus it is shown under the head Deferred revenue- Brand Promotion Expenses, which is being written off in five years.
8. In accordance with the Accounting Standards (AS-18) on Related Party Disclosures, where control exists and where key management personnel are able to exercise significant influence and, where transactions have taken place during the year, along-with description of relationship as identified, are given below:-

A. Relationships

- | | | |
|------|--|--------------------|
| I. | Subsidiary Company | NIL |
| II. | Joint Venture/Joint Control Associates | NIL |
| III. | Key Management Personnel | |
| | Name | Designation |
| | Sh. Ajay K. Swarup | Managing Director |
| IV. | Associates | |

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

M/s Associated Distilleries Ltd. (ADL)

M/s Rambagh Estates Private Limited.

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(Formerly Globus Agronics Limited)

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

		(Rs. in Lacs)
Related Party Transactions	Key management Personnel	Associates
Salaries & Other Allowances	25.08	-----
Purchase of Raw Material, Goods from ADL	-----	61.22
Sale of Goods to ADL	-----	112.72
Other Adjustments with Associated Distilleries Ltd.	-----	53.05
Lease Rental Transactions with Rambagh Estates Pvt. Ltd.	-----	16.32
Amount Recoverable outstanding at the year end from ADL	-----	427.23

9. Taxation

- A) Current tax is the provision made as per the normal income tax rate.
- B) Deferred tax is recognized, on timing differences, being the difference resulting from the recognition of items in the financial statements & in estimating its current income tax provision.
- C) Deferred tax assets are recognized on unabsorbed depreciation to the extent there is virtual certainty supported by convincing evidence & on others to extent that there is reasonable certainty of their realization
- D) Deferred tax assets & liabilities are measured using the tax rates & the laws that have been enacted or substantially enacted at the balance sheet date.

Calculation of Deferred Tax Liability

Depreciation as per Co. Act	5,73,48,289
Depreciation as per I.T. Act	<u>14,92,50,918</u>
Difference	9,19,02,629
Deferred Tax Liability@33.99%	3,12,37,704
Add: Opening Balance of Deferred Tax Liability	4,48,74,617
Net Liability transferred to Balance Sheet	<u>7,61,12,321</u>

- 10. The indicators listed in paragraph 8 of Accounting Standard (AS)-28 “ impairment of assets “ issued by Institute of Chartered Accountants of India have been examined & on such examination , it has been found that none of the indicators are present in the case of company. There is no indication of a potential impairment loss, so estimation of recoverable amount has not been made.
- 11. Insurance claims which are of not significant value are accounted for on receipt basis.
- 12. Previous years figures has been regrouped, rearranged & reworked wherever necessary to make them comparable with the current year figures.

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13. Figures has been rounded off to the nearest rupee.
14. Other information pursuant to para 3 to 4D of part II of schedule VI of the Companies Act 1956 has not been furnished as the same is not applicable.

Annexed to our Report of even date

For B.M.Chatrath & Co.
Chartered Accountants

Sd/-
(Umesh C. Pandey)
Partner

Place :New Delhi
Date:17th June, 2009.

For & on behalf of Board

Sd/-
(Ajay K. Swarup)
Managing Director

Sd/-
(Santosh K. Pattanayak)
Company Secretary

Sd/-
(Manik Lal Dutta)
Executive Director

Sd/-
(Dr. Bhaskar Roy)
EVP & CFO



Globus Spirits Limited

(Formerly Globus Agronics Limited)

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

A Licensed and Installed Capacity and Production:

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

(Being a technical matter, not verified by the Auditors).

B Quantitative Details

	Current Year 2008-09		Previous Year 2007-08			
	Quantity	Value(Rs.)	Quantity	Value(Rs.)		
a) Production						
Industrial Alcohol (Beh)	13,733,785	BL	11,813,462	BL		
Industrial Alcohol (Sam)	15,659,038	PL	14,741,254	PL		
ENA	4,987,791	BL	5,002,480	BL		
Country Liquor (Sam)	13,359,209	PL	14,800,505	PL		
Country Liquor(Beh)	1,998,238	Cases	1,446,168	Cases		
IMFL (Beh)	670,321	Cases	600,891	Cases		
IMFL (Sam)	299,999	PL	-	-		
IMFL-Other Units	264,004	Cases	21,395	Cases		
b) Opening Stock						
Industrial Alcohol (Beh)	620,147	BL	116,461	BL	3,102,698	
Industrial Alcohol (Sam)	1,606,216	PL	1,448,152	PL	20,799,442	
ENA	124,940	BL	107,585	BL	3,054,794	
C/L Blend (Behror)	173,986	BL	138,615	BL	1,388,910	
IMFL Blend UP	33,880	BL	-	-	-	
CL Stock - Delhi Godown	40,064	Cases	22,250	Cases	3,317,874	
Bottling Blending Stock CL	402,719	PL	230,100	PL	3,359,835	
CL-Bottled Stock -Behror	10,013	Cases	18,956	Cases	3,753,468	
CL-Bottled Stock-Samalkha	37,647	PL	109,175	PL	2,933,318	
IMFL-Bottled UP	6,646	Cases	-	Cases	-	
IMFL-Bottled	661	Cases	-	Cases	-	
RTD Bottle Stock	5	Cases	157	Cases	81,000	
Molasses	49,182	QTL	28,030	QTL	13,505,881	
Bajra/ Rice Flour	33,782	QTL	27,557	QTL	21,229,419	
Raw Material Others	-	3,220,586	-	-	1,519,387	
Raw Material Others -Units	-	-	-	-	-	
c) Closing Stock						
Raw Material						
Molasses (Behror)						
	1,331	QTL	662,158	1,331	QTL	662,158
Molasses (Samalkha)	4,846	QTL	2,713,692	47,850	QTL	23,159,307
Bajra/ Rice Flour (Behror)	34,071	QTL	27,655,448	33,074	QTL	24,354,068
Bajra/ Rice Flour (Samalkha)	36,519	QTL	33,584,774	708	QTL	543,088
Raw Material (Others)-Beh.	-	4,534,484	-	-	-	
Raw Material (Others)-Sam.	-	1,953,882	-	-	3,220,586	
Raw Material (Others-Units)	-	7,282,861	-	-	-	
Total	78,387,299	51,939,207	51,939,207	51,939,207	51,939,207	
BLEND						
CL-Blending Stock- Sam.	405,332	PL	7,304,060	402,719	PL	5,793,902
C/L Blend (Behror)	174,722	BL	1,893,855	173,986	BL	1,773,380
IMFL-Blend-Behror	8,508	BL	121,293	-	-	-
IMFL-Malt Blend-Behror	1,729	BL	208,206	-	-	-
IMFL-Blend-Sam.	77,646	PL	1,616,821	-	-	-
IMFL Blend UP	20,073	BL	730,653	33,880	BL	381,780
Finished Goods						
Industrial Alcohol (Beh)&Othrs.	733,442	BL	20,722,215	620,147	BL	16,520,022

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Industrial Alcohol (Sam)	1,043,532	PL	18,458,293	1,606,216	PL	22,337,409
ENA	218,150	BL	6,817,925	124,940	BL	3,640,612
CL-Bottled Stock (Sam)	202,433	PL	6,103,273	37,647	PL	998,794
CL-Bottled at Behror	14,909	Cases	2,968,702	10,013	Cases	1,998,145
IMFL-Bottled -Other Units	30,268	Cases	12,368,543	6,646	Cases	1,862,966
CL Stock - Delhi Godown	647	Cases	93,991	40,064	Cases	5,168,256
IMFL-Bottled-Samalkha	68,520	PL	2,257,919			
IMFL-Bottled-Behror	2,121	Cases	595,213	661	Cases	187,111
RTD Bottle Stock	5	Cases	2,400	5	Cases	2,400
Total			<u>82,263,362</u>			<u>60,664,777</u>
d) Sales						
Industrial Alcohol (Beh)	2,594,400	BL	87,620,155	2,142,600	BL	60,278,053
Industrial Alcohol (Sam)	10,868,473	PL	238,791,735	9,296,540	PL	154,669,200
ENA	4,404,794	BL	142,028,998	4,685,160	BL	117,743,756
Bottled-IMFL -Sam.	231,479	PL	14,269,168			
Bottled - IMFL- Beh.	667,725	Cases	1,087,674,803	600,625	Cases	970,085,875
Bottled-IMFL -Other Units	240,382	Cases	114,796,498	14,749	Cases	30,686,919
Bottled- Country Liquor(Sam)	7,778,250	PL	355,763,930	9,189,000	PL	435,008,049
Delhi-Country Liquor	1,201,200	Cases	186,755,901	1,243,186	Cases	201,226,305
C/L-Bottled Behror	1,993,342	Cases	482,631,478	1,453,028	Cases	330,568,750
Sales (others)			103,684,559			52,333,648
Total			<u>2,814,017,225</u>			<u>2,352,600,555</u>
e) Raw Material consumed						
Molasses-Behror	-	QTL	-			
Molasses-Samalkha	170,186	QTL	95,309,588	319,050	QTL	120,048,726
Bajra/ Rice Flour- Samalkha	121,465	QTL	111,705,072			
Bajra/ Rice Flour-Behror	338,977	QTL	275,144,561	335,708	QTL	244,524,649
Rectified Spirit (CL) (Beh)	96,000	BL	3,663,202	459,345	BL	11,366,052
Rectified Spirit -othr-Units			36181750			
Rectified Spirit (Sam)	8,694,444	PL	174,201,627	9,943,567	PL	139,592,396
Rectified Spirit (IMFL)BDA	2,540,794	BL	94,107,166	2,344,160	BL	68,318,835
Rectified Spirit (IMFL)UP	57,374	BL	1,806,957	84,817	BL	1,933,458
Raw Material Others			41,461,293	-		9,202,096
Total			<u>833,581,216</u>			<u>594,986,212</u>
f) Value of Imports Calculated on CIF basis						
g) Outflow in Foreign Currency						
h) Inflow in Foreign Currency						
						NIL

Globus Spirits Limited

(Formerly Globus Agronics Limited)

CASH FLOW STATEMENT

PARTICULARS	Amount (in Rs.)
(A) CASH FLOW FROM OPERATING ACTIVITIES:	
Net Profit/(Loss) before Tax, Adjustment for prior period and extra ordinary activities	199,379,054
Adjustment for:-	
Depreciation	57,348,289
Interest Paid	29,621,561
Dividend Income	-
Loss / profit on Sale of Fixed assets	-
Other Income	(24,582,534)
Preliminary & Other Expenses w.off	1,787,951
Interest Received	(2,029,150)
Operating Profit before Working Capital Changes-	261,525,171
Adjustment for:-	
Inventories	(79,008,057)
Sundry Debtors	(13,982,745)
Other Current Assets	(20,271,228)
Current Liabilities & other payable	60,680,594
NET CASH FROM OPERATING ACTIVITIES (A)	<u>208,943,735</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES:	
Addition in Fixed Assets	(224,940,381)
Increase In Deffered Revenue Expenditure	-
Addition in Investment	-
Sale Proceeds of Fixed Assets	-
Misc. Income	24,582,534
Interest Received	2,029,150
Dividend Received	-
NET CASH USED IN INVESTING OPERATING ACTIVITIES (B)	<u>(198,328,697)</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES:	
Interest Paid	(29,621,561)
Increase in Secured Loan	32,581,211
Increase in Unsecured Loan	(6,501,548)
Proceeds from issue of share capital	-
NET CASH USED IN FINANCING ACTIVITIES (C)	<u>(3,541,898)</u>
Net Increase/Decrease in Cash & Cash Equivalents (A+B+C)	7,073,140
Cash & Cash Equivalents at the begning of the year	16,816,513
Cash & Cash Equivalents at the closing of the year	23,889,653

Annexed to our Report of even date

For B.M.Chatrath & Co.
Chartered Accountants

For & on behalf of Board

Sd/-
(Umesh C. Pandey)
Partner

Sd/-
(Ajay K. Swarup)
Managing Director

Sd/-
(Manik Lal Dutta)
Executive Director

Place :New Delhi
Date:17th June, 2009.

Sd/-
(Dr. Bhaskar Roy)
EVP & CFO

Sd/-
(Santosh K. Pattanayak)
Company Secretary

AUDITORS CERTIFICATE ON CASH FLOW STATEMENT

We have examined the above cash flow statement of M/s Globus Spirits Limited (formerly Globus Agronics Limited) which is derived from the financial statements for the year ended 31st March 2009 as per books of accounts and financial statements and details and annexure produced before us by the management of the company for our verification and found in order.

For B.M.CHATRATH & CO.
CHARTERED ACCOUNTANTS

Place: New Delhi
Date: 17th June, 2009.

(Umesh C.Pandey)
Partner

Globus Spirits Limited

(Formerly Globus Agronics Limited)

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No. : 55-52177 State Code : 55

Balance Sheet Date : 31.03.2009

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

Public Issue: NIL Right Issue : NIL

Bonus Issue: NIL Private Placement : NIL

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

Total Liabilities : 846,914 Total Assets : 846,914

Sources of Funds

Paid-up Capital : 122,577 Reserves & Surplus : 475,155

Share Application : NIL

Secured Loan : 163,667 Unsecured Loan : 9,402

Deferred tax liability : 76,112

Application of Funds

Net Fixed Assets : 567,265 Investment : 259

Net Current Assets : 279,356 Misc.Expenditure : 34

Accumulated Losses : NIL

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

Turnover (incl.other Income) : 2,862,227 Total Expenditure : 2,605,500

Profit before tax : 199,379 Profit after Tax : 129,315

Earning per Share : 10.55 Dividend Rate(%) : Nil

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

Item Code No. (ITC Code) : 2207

Product Description : ETHYL ALCOHOL

Annexed to our Report of even date

For B.M.Chatrath & Co.
Chartered Accountants

For & on behalf of Board

Sd/-
(Umesh C. Pandey)
Partner

Sd/-
(Ajay K. Swarup)
Managing Director

Sd/-
(Manik Lal Dutta)
Executive Director

Place : New Delhi
Date: 17th June, 2009.

Sd/-
(Dr. Bhaskar Roy)
EVP & CFO

Sd/-
(Santosh K. Pattanayak)
Company Secretary

