

Country Club

Country Club

A RARE BLEND OF MATURED INDIAN MALTS

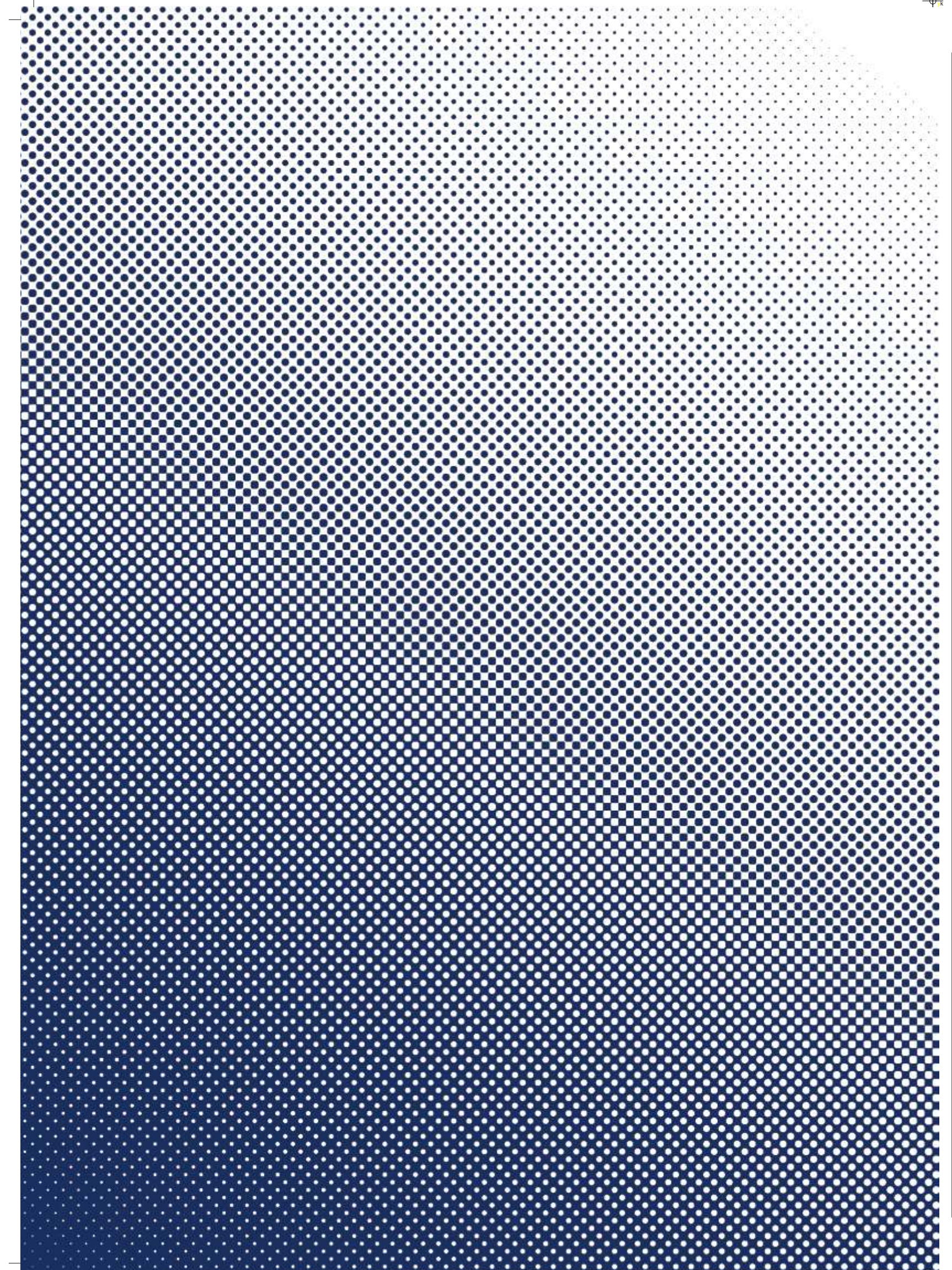
DELUXE
WHISKY

M.R.P. Rs.
Inclusive of all taxes
Manager - Customer Care
E-mail: customerservice@countryclub.in
Tel: 0311-220-4015/5000



750 ml
Indian Packed
70° Proof
35° US
42.86% Alc

FOR SALE IN HARYANA DUTY NOT PAID IN HARYANA
ALCOHOL IS INJURIOUS TO HEALTH





Globus Spirits

BOARD OF DIRECTORS

CHAIRMAN

Mr. Gautam Premnath Khandelwal
(Non Executive & Independent Director)

MANAGING DIRECTOR

Mr. Ajay Kumar Swarup

EXECUTIVE DIRECTORS

Mr. Manik Lal Dutta
Dr. Bhaskar Roy (Director-Finance)

WHOLETIME DIRECTORS & OCCUPIER

Mr. Rajesh Kumar Malik
Mr. Rameshwar Dayal Aggarwal

NON-EXECUTIVE & INDEPENDENT DIRECTORS

Mr. Joginder Singh Dhamija
Mr. Santosh Kumar Bishwal

Auditors : M/s B.M. Chatrath & Co.
Chartered Accountants,
A-78, IInd Floor, Sector-4, NOIDA-201301 (U.P.)

Bankers : State Bank of India
HDFC Bank Ltd.

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

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

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

Website : www.globusspirits.com

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Our vision

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

Our values

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

Innovation

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

Underlying beliefs that support this objective:

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

We explore new opportunities and un-chartered territories

Profitability

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

Underlying beliefs that support this objective:

Profit is the responsibility of all in GSL

Profit allows us to re-invest in emerging business opportunities

Profit enables the achievement of our other corporate objectives

Corporate Highlights

Manufacture & Sale of IMFL, Industrial Alcohol & Country Liquor since 1993

"Supplier of Choice" to National & International Brands for over a decade

IDV (Diageo), Herbertsons (United Spirits Ltd.), Allied Blenders & Distilleries Pvt. Ltd. & Jagatjit Industries Ltd.

Supplier of Bulk Spirits (ENA)

United Spirits Ltd., Allied Blenders & Distilleries Pvt. Ltd. & Jagatjit Industries Ltd., Seagram India (P) Ltd.

Present in 7 States in North India and 2 States in South India.

Combined installed capacity is 84.4 million litres p.a. at:

Samalkha (Haryana)

Behror (Rajasthan)

Hisar (Haryana)

Net revenues increased by 36% to Rs. 5,268 million from Rs.3,864 million

Operating Profits up by 61% to Rs.625 million from Rs.388 million

Profit After Tax increased by 38% to Rs.399 million from Rs.289 million

EPS remains almost same at Rs. 17.36 from Rs. 17.73

Total networth increased from Rs.1,614 million to Rs. 2,085.



Chairman's Note

Dear Shareholders,

I am extremely delighted to announce the completion of our capacity expansion program which heralds a new chapter in the history of Globus Spirits. We are now in the position to manufacture 84.4 million Litres annually and this exercise has been carried out at cost much lower than the industry average norms. Another significant development has been our merger with Associated Distilleries Limited which gives GSL strong synergies while increasing our operating size. Both these developments will be immensely beneficial for GSL in the long run.

Moving on to our individual business segments, I am pleased to report that our branded IMFL business has reported a growth of over 100% as compared to the last financial year. It has always been our endeavor to establish ourselves as a key player in the branded IMFL space and this progress is certainly a step in the right direction. Our flagship brand 'Country Club' has received an excellent response and has managed to carve a niche for itself given its unique blend as well as packaging. We had taken a lot of effort in terms of consumer research and getting the right blend and I am glad that we are reaping good rewards of our focused approach. We have built a fairly wide distribution network for Country Club, and it has a presence in six states. The focal point of our branded IMFL strategy is to build a strong distribution network from where we are in a position to launch newer brands at higher price points. Going forward GSL will aggressively look to increase its reach as well as add newer brands to its stable.

Moving on to the Country Liquor space, it has witnessed a moderation in growth in FY11 but we are confident of the pick up in demand in FY12. GSL has launched a new brand 'Nimbu' which has received excellent response. Also the price differential on account of the steeper statutory levy on branded IMFL makes CL consumption cost effective for the rural consumer. Entry barriers to this business remain high as it is compulsory to have a distillery in the area of operation. Over the years GSL has established itself as a key player in the CL market and we expect to maintain our lead going forward.

The Bulk alcohol space has witnessed buoyancy in spirit prices and with capacities of close to 84.4 million Litres taking into account the ADL capacity, GSL should be able to take advantage of the higher prices. Post our capacity expansion program, the implementation of new technology would enable the company to produce ENA without separately engaging through the interim process of manufacturing rectified spirits. This would make the process more energy efficient and also leading to lower wastage in the manufacturing process. The ethanol blending program has made it mandatory to blend 5% alcohol with petrol. With crude oil prices at very high level, the demand for bulk spirits appears to be sustainable. In the franchise IMFL space, our tie up with ABD and Jagatjit remained strong. With our expanded capacities we will continue to be on the look out for more such tie-ups.

As we enter the new financial year, we remain confident of our growth prospects on the back of various initiatives being implemented to strengthen our presence across the business segments, to build the momentum for reporting a strong revenue and earnings growth.

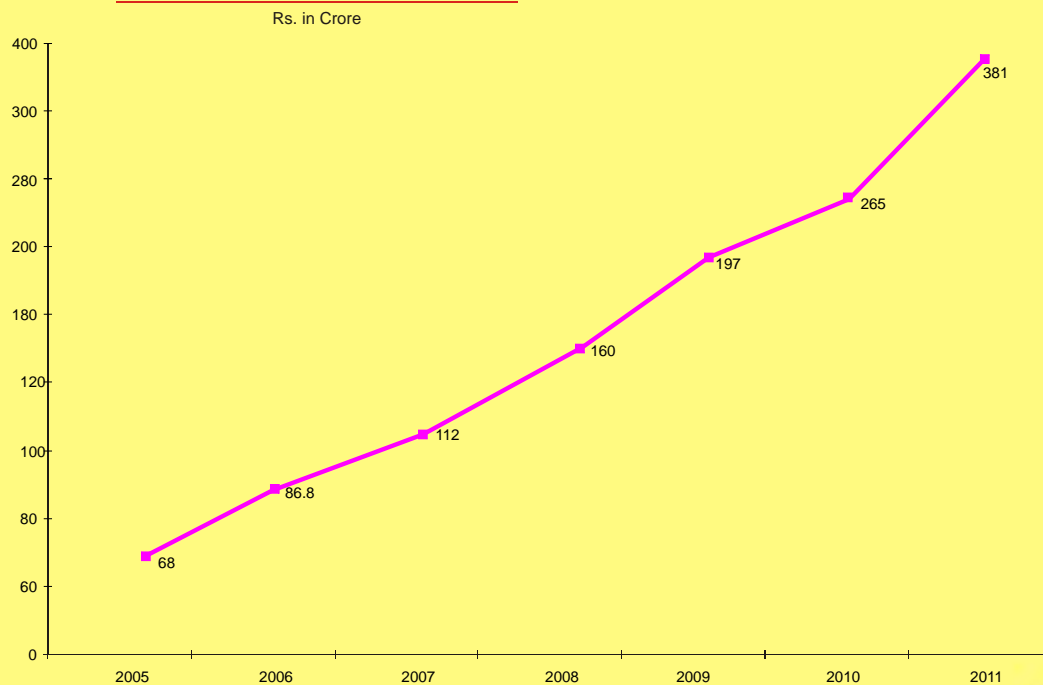
I take this opportunity to thank all our customers, suppliers, bankers, financial institutions and shareholders for their continued support and encouragement.

Place : New Delhi
Date : 03/10/2011

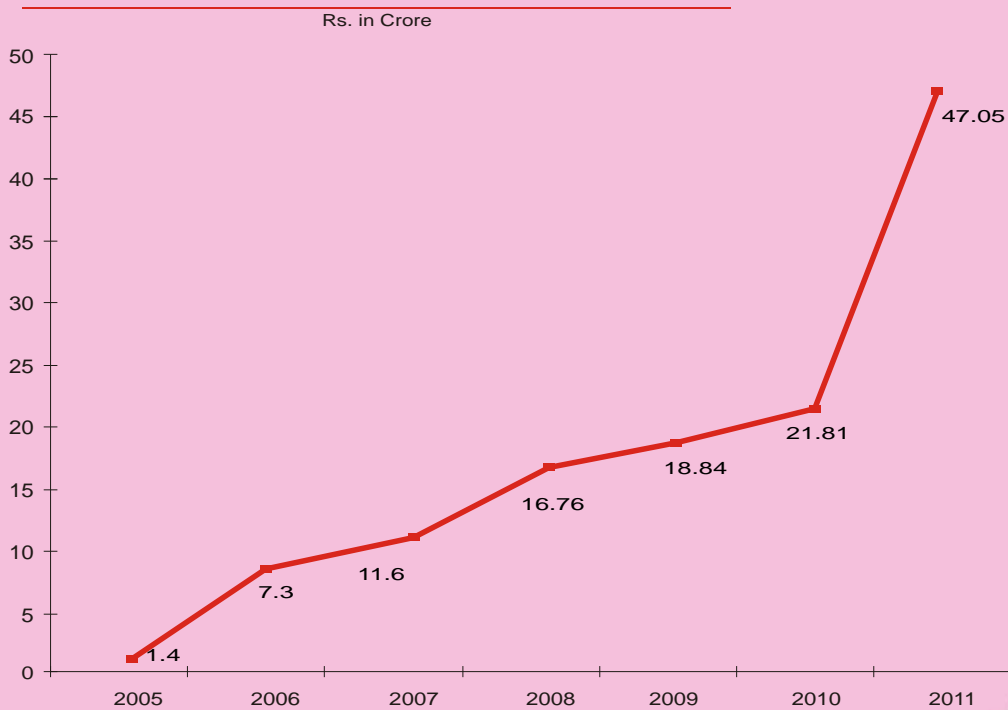
Sd/-
(Gautam Premnath Khandelwal)
Chairman

Financial performance & trends

Net Sales



Financials - Cash Earnings



DIRECTORS' REPORT

To the Members

Your Directors are pleased to present the Eighteenth Annual Report and Audited Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

	Current Year 2010-2011 Rs. In Lacs)	Previous Year 2009-2010 (Rs. In Lacs)
Sales	52,157.77	38,428.82
Profit/(loss) before Depreciation	6,234.03	3,859.26
Less: Depreciation	694.32	437.86
Add: Depreciation Written Back	—	1,166.77
Profit/(Loss) after Depreciation	5,539.71	4,588.16
Profit /(Loss) before tax	5,539.71	4,588.16
Less: Provision for taxation	1,104.01	620.00
Deferred tax	442.54	1,076.23
Profit/ (Loss) after tax	3,993.16	2,891.93
Balance brought forward	6,169.10	3,583.32
Profit available for appropriation	10,162.25	6,475.25
Appropriations		
-Transfer to General Reserve	100.00	75.00
-Proposed Dividend	229.98	197.58
-Provision for Tax on Dividend	38.20	33.58
Balance Carried forward to Balance Sheet	9,794.08	6,169.09

PERFORMANCE REVIEW

Figures for the financial year 2010-2011 are post-merger of demerged undertaking of Associated Distilleries Limited into Globus Spirits Limited & hence not comparable with those of the previous year figures. During the year under review your company reported a good performance, reflected in an increase in PBT by Rs.9.51crores over the previous year and an increase in PAT by Rs.11.01 crores over the previous year. The EPS of the company is Rs.17.36 as compared to Rs.17.73 of previous year. Your Directors have pleasure to inform that the Company's turnover has been increased by 35.73% from Rs.384.29 Crores (Previous year) to Rs.521.58 Crores (Current year).

THE YEAR IN PERSPECTIVE

EXPANSION CUM MODERNISATION OF EXISTING DISTILLERIES

During the year the company has successfully completed the capacity expansion program to increase the capacity from 28.6 million BL to 70 million BL as well as the company has also successfully modernized its both the plants to a fully automatic Wash to ENA plant out of the IPO proceeds of Rs.75 crores raised during the year 2009-10 for this purpose.

BUSINESS IN BULK SPIRIT SEGMENT

During the year the company has further strengthened its position as one of the major supplier of Bulk Spirits by enhancing its capacity in both the existing distilleries.

BUSINESS IN COUNTRY LIQUOR SEGMENT

During the year the company has reported satisfactory progress in country liquor segment in the state of Rajasthan, Haryana & Delhi. For FY2011 the CL business recorded volumes of stood at 88.15 lakh cases contributing 45.97% to the total revenue share.

BUSINESS IN IMFL SEGMENT

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

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

Name of the States

Haryana
Rajasthan
U.P.
Kerala
A.P.
U.T.Chandigarh
Delhi
Punjab
Himachal Pradesh

Name of Brands

- 1) County Club Whisky.
- 2) Hannibal XXX Rum.
- 3) White Lace Gin & Vodka
- 4) Le Mans VSOP Brandy
- 5) Academy Delux XXX Rum
- 6) Academy Delux Brandy
- 7) Samurai XXX Rum
- 8) 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 "Aristocrat Premium Whisky", "Bonnie Scot" etc in the State of Haryana with Jagatjit Industries Limited. And in addition to it the company is also having various bottling tie-ups for marketing & selling of its own IMFL Brands in the state of U.P., Kerala, A.P., Punjab and Himachal Pradesh.

MATERIAL CHANGES AFTER 31/03/2011

Merger of Demerged Undertaking of ADL into GSL.

Associated Distilleries Limited (ADL) is an unlisted company and is engaged in the business of manufacturing, marketing and sales of industrial alcohol comprising rectified spirit, extra neutral alcohol, Country Liquor. During the year the demerged undertaking of ADL has been merged into Globus Spirits Limited (GSL) on a going concern basis with effect from April 1, 2010 in pursuant to sanction of the scheme by the order of Hon'ble High court of Delhi vide dated 24.08.2011. The valuation study was independently conducted by Ernst & Young (E&Y). The board has approved the distribution ratio of 1:6 for the merger of the demerged undertaking of ADL into GSL i.e. for every 1 equity share of ADL of Rs.10 each fully paid up, 6 equity shares of Rs.10 each fully paid up will be issued according to the valuation criteria suggested by E&Y based on the CCM, DCF Market Price & the NAV method to value companies. GSL has to issue additional 3.24 million shares which will take the post dilution equity share capital of GSL to 22.99 million shares of face value Rs. 10 each.

The Demerged Undertaking of ADL is located in Hissar, Haryana. The present installed capacity of ADL is 14.4 million BL. ADL operates in the two states of Haryana and Delhi and has a market share of 10% in Haryana and 10% in Delhi. ADL also has a bottling tie up with ABD India in Haryana. The ADL plant has shown increased operating efficiency since its revamping in October 2009 and EBITDA margins have grown from 12.9% in FY2010 to 21.1% in FY2011. The merger of the Demerged Undertaking of ADL into GSL would result in greater synergies and operational efficiencies which would translate into improved performance going forward.

DIVIDEND

Your Directors are pleased to recommend dividend of Re. 1/- i.e. 10 % per equity share of Rs. 10/- each of the Company for the year 2010- 2011. As the scheme of demerger has been given effect to w.e.f. 01/04/2010 being the appointed date, the shareholders of Associated Distilleries Limited who has been allotted equity shares in Globus Spirits Limited pursuant to the Sanction of scheme by Hon'ble High Court of Delhi are also eligible for dividend for the financial year 2010-11.

PUBLIC DEPOSITS

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

DIRECTORS

During the year Dr. Bhaskar Roy Director-Finance & CFO of the company & Mr. Rameshwar Dayal Aggarwal, Whole-time Director of the company who retires by rotation and being eligible offers themselves for re-appointment. The Board recommends their re-appointment.

During the year there being no other changes made in the Board of Directors.

CORPORATE GOVERNANCE

As per requirement of Clause 49 of the Listing Agreement with the Stock Exchanges, a Compliance Report on Corporate Governance has been annexed as part of the Annual Report.

AUDITORS

M/s. B. M. Chatrath & Co., Chartered Accountants, Statutory Auditors of the Company had been appointed as



Auditors at the last Annual General Meeting and retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. They have furnished a certificate to the effect, that the re-appointment, if made, will be in accordance with section 224 (1B) of the Companies Act, 1956.

AUDITORS' REPORT

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

PARTICULARS OF EMPLOYEES

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

Sl. No.	Name	Age	Designation	Gross Remuneration	Qualification	Experience In years	Date of commencement of employment	Particulars of last employment
1	Mr. Ajay K. Swarup	52	Managing Director	50,16,000/- p.a. + other Perquisites	PGDBM (IIM, Kolkata)	27	December 01, 2006	M/s SVP Industries Ltd.

Further Mr. Ajay K. Swarup, the Managing Director of the company is not a relative of any Director of the company and as on 03/10/2011 he is holding 10,000 equity share in the company.

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 has been annexed & forming part of the annual report.

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

1. In preparation of the Annual Accounts, the applicable Accounting Standards has been followed by the company.
2. Appropriate accounting policies have been selected and applied constantly and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company as at 31st March, 2011 and of the Profit of the Company for the year ended 31st March, 2011.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Annual Account has been made on going concern basis.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Sd/-

(Dr. Bhaskar Roy)

Director Finance & CFO

Sd/-

(Ajay K. Swarup)

Managing Director

Place: New Delhi

Date : 03/10/2011

Annexure I to the Directors' Report 2010-11

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

(A) Conservation of Energy

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

a) Energy Conservation Measures Taken:

The same has been shown on Management Discussion Analysis report as per annexure.

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

- 1) Setting up evaporators for all plants to concentrate effluent to 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) Recycle and reuse of other streams after treatment to make zero discharge and conserve fresh water requirement.
- 4) Lowering the steam pressure in jet cookers to enable generation of power from steam used and reduce steam consumption to 50% of the present.

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 (b)

(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	2010-2011	2009-2010
Foreign Exchange earnings	Rs.10.18lacs	NIL
Foreign Exchange used	NIL	NIL

For and on behalf of the Board of Directors

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

Sd/-
(Ajay K. Swarup)
Managing Director

Place: New Delhi
Date : 03/10/2011



CORPORATE GOVERNANCE REPORT

Your Company believes in conducting its affairs with the highest levels of integrity, with proper authorizations, accountability, disclosure and transparency. The Company strongly believes in maintaining a simple and transparent corporate structure driven solely by business needs. Shareholders' interests are on utmost priority and the management is only a trustee to carry out the activities in a truthful and fruitful manner.

The details of the Corporate Governance compliance by the Company as per the Clause 49 of the Listing Agreement with Stock Exchanges are as under:

A COMPLIANCE OF MANDATORY REQUIREMENTS:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance is the system by which companies are directed and managed. Good corporate governance structure encourages companies to create value (through entrepreneurship, innovation, development and exploration) and provide accountability and control systems commensurate with the risks involved.

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

2. BOARD OF DIRECTORS

Composition

The Board of Directors of the Company consists of an optimal mix of Executive Directors and Independent Professionals who have in-depth knowledge of business, in addition to expertise in their areas of specialization. The Directors bring in expertise in the fields of human resource development, strategy, management, finance and economics among others. The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that management adheres to high standards of ethics, transparency and disclosure.

As on 31st March 2011, the Board consisted of 8 Directors including Chairman being Non-Executive & Independent Director, one Managing Director and two more Non-Executive & Independent Directors, the rest four are Executive cum whole-time Directors. The Board meets the requirement of not less than one third being independent Directors. The size and composition of the Board conforms to the requirements of Clause 49 of the Listing Agreement (Corporate Governance Code) with the Stock Exchanges.

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

Board Functioning & Procedure

Globus Spirits believes that at the core of its corporate governance practice is the Board, which oversees how the management serves and protects the long-term interests of all stakeholders of the company. An active, well-informed and independent board is necessary to ensure the highest standards of corporate governance.

Globus Spirits believes that composition of board is conducive for making decisions expediently, with the benefit of a variety of perspectives and skills, and in the best interests of the Company as a whole rather than of individual shareholders or interest groups.

In accordance with the provisions of Clause 49 of the Listing Agreement, the Board meets at least once in every quarter to review the quarterly results and other items of agenda. The agenda is sent in advance to the Directors along with the draft of relevant documents and explanatory notes.

During the financial year 2010-11, 6(Six) Board Meetings were held on 15/05/2010, 30/07/2010, 28/09/2010, 12/11/2010, 05/02/2011 and 30/03/2011.

The Composition of Board of Directors, their shareholding, attendance during the year and at the last Annual General Meeting, Number of other Directorships, Committee memberships and

Chairmanships held by them as at 31st March, 2011 are given below:

Directors	Category	Shares held		Attendance		No. of other Directorships and Committee Memberships/ Chairmanships held \$		
		Number	%	Board Meeting	Last AGM	Director-ships	Committee Member-ships	Committee Chairmanship
Shri Gautam Premnath Khandelwal	NE-I-C	33	0	0	No	2	2	1
Shri Ajay Kumar Swarup	MD -P	NIL		6	Yes	3	-	-
Shri Manik Lal Dutta	E	2,100	0.010	5	Yes	-	-	-
Dr. Bhaskar Roy	E	100	0	6	Yes	-	-	-
Sh. Joginder Singh Dhamija	NE-I	NIL		4	Yes	-	-	-
Sh. Santosh Kumar Bishwal	NE-I	NIL		3	Yes	-	-	-
Sh. Rajesh Kumar Malik	WTD	490	0.002	3	Yes	-	-	-
Sh. Rameshwar Dayal Aggarwal	WTD	NIL		3	Yes	-	-	-

C = Chairman, MD = Managing Director, WTD = Whole-time Director, E = Executive, NE= Non-Executive Director, P = Promoter, I = Independent

\$ Includes Directorships and Committee Memberships in Public Limited Companies

Note: 1. Only Audit Committee and Shareholders' Grievance Committee are considered for the purpose of Committee position as per Listing Agreement.

2. Private Limited Companies, Foreign Companies and companies under Section 25 of the companies Act, 1956 are excluded for the above purposes.

3. All the independent Directors fulfill the minimum age criteria i.e. 21 years as specified in Clause 49 of the listing agreement.

No Director is related to any other Director on the Board in terms of the definition of "relative" given under the Companies Act, 1956.

CODE OF CONDUCT

The Board of Directors has adopted the Code Conduct and Ethics for Directors and Senior Management personnel. The Code has also been posted on the Company's website www.globusspirits.com.

A declaration signed by the Managing Director of the Company is given below:

This is to certify that, to the best of my knowledge and belief, for the financial year ended on 31st March, 2011, all Board members and Senior Management Personnel have affirmed compliance with the code of Conduct for Directors and Senior Management respectively.

03rd October 2011

sd/-
Ajay Kumar Swarup
Managing Director



3. AUDIT COMMITTEE

BROAD TERMS OF REFERENCE

The terms of reference of this Committee covers the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

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

1. To Review with the management, the quarterly, half yearly and annual financial statements before submission to the board for approval.
2. To review with the management, performance of the Statutory and Internal auditors, adequacy of internal control system.
3. To review the adequacy of internal audit function and the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
4. To discuss with Internal Auditors any significant findings and follow up thereon.
5. To discuss with statutory auditor before the audit commences about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
6. To Review with the management the annual financial statements before submission to the board for approval with reference to:

Matter required to be included in the Director Responsibility statement to be included in Board report in terms of clause (2AA) of section 217 of the Companies Act, 1956.

Changes if any, in accounting policies and practices and reason for the same.

Major accounting entries involving estimates based on exercise of judgment by management.

Compliance with the listing and other legal requirement relating to financial statement.

Disclosure of any related party transaction.

Qualification in the draft audit report.

COMPOSITION

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

Sh. Santosh Kumar Bishwal (Non-Executive & Independent Director),	Chairman
Sh. Joginder Singh Dhamija (Non-Executive & Independent Director),	Member
Dr. Bhaskar Roy, (Executive Director)	Member

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

During the year under review 4 Audit Committee Meetings were held on 15th May, 2010, 30th July 2010, 12th November 2010 and 05th February 2011. The composition of Audit Committee and attendance at its meeting is as follows

Members	Designation	No. of Meetings attended
Sh. Santosh Kumar Bishwal	Chairman	3
Sh. Joginder Singh Dhamija	Member	4
Dr. Bhaskar Roy	Member	4

4. REMUNERATION COMMITTEE

The Board has constituted a Remuneration Committee.

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

1. To fix the Salary & Perquisites of Executives of the company.
2. To consider and grant annual and special increments to the executives of the company and to confirm the adhoc special increments granted to staff and executives of the company.
3. To consider the profits of the company and to decide about the adequacy of profits of the company.
4. To consider the adequacy of profits of the company and to consider remuneration payable to the Managerial persons as per requirement of the companies Act and Schedule XIII of the companies Act.

5. To approve the remuneration payable to the managerial personnel of the company in case of inadequacy of the profits.
6. To take all other consequential and incidental action and measure.

COMPOSITION

The constitution of the Remuneration Committee is as under:-

Name of the Members	Designation
Sh. Joginder Singh Dhamija	Chairman
Sh. Santosh Kumar Bishwal	Member
Mr. Manik Lal Dutta	Member
Mr. Gautam Premnath Khandelwal	Member

Details of Directors Remuneration:

The details of remuneration paid to the Directors during the financial year ended 31st March 2011 are as under:

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

Name	Total Amount (in Rs.)
Shri Ajay Kumar Swarup	36,16,436/- (Plus other Perquisites)

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

- b) The Details of remuneration paid to Whole-time / Executive Directors are as under

Name	Total Amount (in Rs.)
Shri Manik Lal Dutta (Executive Director)	Rs.9,80,790/-
Shri Rajesh Kumar Malik (Whole Time Director)	Rs.7,54,565/-
Shri R.D.Aggarwal (Whole Time Director)	Rs.5,50,254/-
Dr. Bhaskar Roy (Director-Finance)	Rs.12,31,690/-

- c) The Non Executive Directors are paid by way of sitting fees for each meeting of the Board of Directors and Audit Committee attended by them. The details of remuneration paid to Non Executive Directors are as under.

Director	Sitting Fees (Rs.)
Shri Joginder Singh Dhamija	80,000/-
Shri Santosh Kumar Bishwal	60,000/-

None of the Non Executive Directors had any pecuniary relationship or transactions with the company during the year ended 31st March 2011 except getting sitting fees for the meeting attended by them.

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

FUNCTIONS

To look in to redressal of shareholder and investor complaints.

To Receive complaints from the shareholders regarding Non receipt of Balance Sheet, Non receipt of declared Dividend, Non inspection of the Statutory Records.

Non-receipt of the copy of records as required by the act to be given to shareholders.

To reply the investor and shareholders for their queries.

To inform the shareholders regarding provisions of various act and the redressal agency for their grievance.

To take all other consequential and incidental action and measure.



COMPOSITION

The constitution of the Shareholders'/ Investors' Grievance Committee is as under:-

Name of the Members	Designation
Sh. Santosh Kumar Bishwal	Chairman
Sh. Joginder Singh Dhamija	Member
Mr. R. D. Aggarwal	Member
Mr. Rajesh Kumar Malik	Member

COMPLIANCE OFFICER

The Board has designated Shri Santosh Kumar Pattanayak, Company Secretary as Compliance Officer.

DETAILS OF SHAREHOLDERS'/INVESTORS' COMPLAINTS RECEIVED AND ATTENDED

Number of Shareholders'/Investors' Complaints received during the period 01.04. 2010 to 31.03.2011	04
Number of Complaints attended/resolved	04
Number of pending complaints as on 31.03.2011	NIL

6. GENERAL BODY MEETINGS

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

2007-08	30.09.2008	C-631, New Friends Colony, New Delhi-65	10.00 A.M.
2008-09	27.08.2009	C-631, New Friends Colony, New Delhi-65	10.00 A.M.
2009-10	09.09.2010	Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road New Delhi-03	03.00 P.M.

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

- In the AGM held on 30.09.2008: No special resolution was passed.
- In the AGM held on 27.08.2009: No special resolution was passed.
- In the AGM held on 09.09.2010: No special resolution was passed.

(III) No Postal Ballots were used / invited for voting in above meetings.

(IV) It is not proposed to pass any special resolution by postal ballot in the forthcoming AGM of the company.

7. DISCLOSURES

i) Related Party Transactions

There have been related party transactions as reflected in notes to the accounts but they are not in conflict with the interest of the Company.

ii) Accounting Standards

The Company follows the Accounting Standards laid down by the Institute of Chartered Accountant of India and there has been no deviation during the year.

iii) Details on Non Compliance

There are no instances of non-compliance by the Company on any matter relating to the Capital Market during the last 3 years.

iv) CEO/CFO Certificates

The Managing Director, Shri Ajay Kumar Swarup have furnished the required certificate to the Board of Directors pursuant to Clause 49 of the Listing Agreement.

8. MEANS OF COMMUNICATION

The Company's financial results are communicated forthwith to all the Stock Exchanges with whom the Company has listing arrangements as soon as they are approved and taken on record by the Board of Directors of the Company. Thereafter the results are normally published in Business Standard and Regional newspapers. The Financial Results, Press Releases and Presentations made to institutional investors are also available on the Company's website www.globusspirits.com.

Designated Exclusive e-mail ID: The Company has designated the following e-mail ID exclusively for investor grievance redressal:-

corporate@globusgroup.in, santoshp@globusgroup.in

9. GENERAL SHAREHOLDERS INFORMATION

- a) Annual General Meeting :
- Date & Time : 31st October 2011 at 11.30A.M.
- Venue : Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, NewDelhi-110003
- b) Financial Year : 1st April 2010 to 31st March 2011
- c) Book Closure : Tuesday 25th October 2011 to Monday 31st October 2011
- d) Dividend : Re. 1/- per share (i.e. @ 10 %) for the year ended 31st March 2011, if approved by the members, would be payable on and from 31st October 2011 onwards.

Listing on Stock Exchanges : W.E.F. 23RD SEPTEMBER 2009

The Equity Shares of the Company are listed at the following Stock Exchanges:

- i) Bombay Stock Exchange Limited, 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.
- ii) National Stock Exchange of India Limited, 'Exchange Plaza', Bandra - Kurla Complex, Bandra (East), Mumbai-400 051.

Stock Code:	BSE	533104	
	NSE	GLOBUSSPR	
	NSDL/CDSL – ISIN	INE615I01010	

Stock Market Price Data for the year 2010-11

Month	BSE Price (Rs.)		NSE Price (Rs.)	
	High	Low	High	Low
April, 2010	156.00	127.70	156.00	132.00
May, 2010	144.50	127.50	147.00	127.55
June, 2010	177.70	136.05	177.90	135.05
July, 2010	197.40	158.90	197.30	160.20
August, 2010	185.00	161.00	185.40	161.65
September, 2010	186.95	162.50	185.95	162.50
October, 2010	173.70	157.15	173.70	149.85
November, 2010	194.10	158.50	193.75	160.20
December, 2010	183.00	142.15	184.80	143.00
January, 2011	176.15	144.60	176.20	144.00
February, 2011	150.05	96.45	150.85	98.00
March, 2011	154.90	115.00	155.00	115.00

Distribution of shareholding as on 31st March 2011

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 2500	4990	77.932	364526	1.845
2501 to 5000	610	9.527	240280	1.216
5001 to 10000	348	5.435	283637	1.436
10001 to 20000	179	2.796	277578	1.405
20001 to 320000	72	1.124	186865	0.946
30001 to 40000	32	0.50	116008	0.587
40001 to 520000	39	0.609	185341	0.938
50001 to 100000	62	0.968	465363	2.355
100001 & above	71	1.109	17638143	89.272
GRAND TOTAL	6403	100.00	19757741	100.00



Shareholding Pattern as on 31st March, 2011:

CATEGORY	NO.OF SHARE HELD	% OF HOLDING
Promoter & Promoter Group	11817510	59.81
Financial Institutions, Mutual Funds, Banks, venture capital funds	2644377	13.38
Foreign Institutional Investors	1106324	5.60
Bodies Corporate	1088573	5.51
Indian Public	2955391	14.96
NRIs / OCBs	145566	0.74
Grand Total	19757741	100

Dematerialization of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialized form. As on 31st March, 2011, 99.16% of total equity shares were held in dematerialized form.

Outstanding GDR / Warrants and Convertible Bonds, conversion date and likely impact on equity:

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

Plant Locations : 1) Vill:Shyampur, Tehsil:Behror, Dist:Alwar, Rajasthan
: 2) 4K.M., Chulkana Road, Vill:Samalkha, Dist:Panipat, Haryana
: 3) National Highway, Hissar Bypass, Hissar, Haryana

Registrar and Share Transfer Agents:

Link Intime India Pvt. Ltd.
A-40, 2nd Floor, Naraina Industrial Area, Phase-II
Near Batra Banquet Hall, New Delhi-110028

Share Transfer System:

Share transfer requests received in physical form are registered within 21 days from the date of receipt and demat requests are normally confirmed within the prescribed time from the date of receipt.

Investor correspondence address

Shareholders correspondence should be addressed to the Registrars and Transfer Agents at the address given here above.

Shareholders holding shares in dematerialized form should address all their correspondence to their respective Depository Participants.

B. NON-MANDATORY REQUIREMENTS

(1) CHAIRMAN OF THE BOARD

The Company has a Non-executive Chairman.

(2) REMUNERATION COMMITTEE

The Board has constituted a Remuneration Committee. The chairman of the committee is a Non Executive & Independent Director of the company.

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

1. To fix the Salary & Perquisites of Executives of the company.
2. To consider and grant annual and special increments to the executives of the company and to confirm the adhoc special increments granted to staff and executives of the company.
3. To consider the profits of the company and to decide about the adequacy of profits of the company.
4. To consider the adequacy of profits of the company and to consider remuneration payable to the Managerial persons as per requirement of the companies Act and Schedule XIII of the companies Act.
5. To approve the remuneration payable to the managerial personnel of the company in case of inadequacy of the profits.

6. To take all other consequential and incidental action and measure.

(3) SHAREHOLDERS' RIGHTS

As the Company's quarterly results are published in leading English newspapers having circulation all over India and in a Hindi newspaper widely circulated in the region, the same are not sent to each household of shareholders.

(4) AUDIT QUALIFICATIONS

There are no Audit Qualifications in the Auditors' Reports.

(5) TRAINING OF BOARD MEMEBRS

At present, the Company does not have such a training programme for the Board Members.

(6) MECHANISM FOR EVALUATING NON-EXECUTIVE BOARD MEMBERS

At present, the Company does not have such a mechanism as contemplated for evaluating the performance of Non-Executive Board Members.

(7) WHISTLE BLOWER POLICY:

The Company does not have any Whistle Blower Policy as of now but no personnel is being denied any access to the Audit Committee.

Compliance

The Certificate dated 03rd October 2011 obtained from our statutory auditors M/s B.M.Chatrath & Co, Chartered Accountants forms part of this Annual Report

CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the members of M/s Globus Spirits Limited

We have examined the compliance of conditions of corporate governance by M/s Globus Spirits Limited, for the year ended on 31st March 2011, as stipulated in clause 49 of the Listing agreement of the said company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and impediments thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the Corporate Governance as stipulated in the above mentioned listing Agreement.

We further State that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 03/10/2011
Place: New Delhi

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



CEO AND CFO Certification

In terms of Clause 49 of the Listing Agreement, we, Dr. Bhaskar Roy, Director-Finance & CFO and Ajay K. Swarup, Managing Director hereby certify that :

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief :
 - (I) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading ;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluate the effectiveness of the internal control systems of the company and have not come across any deficiencies in the design or operation of such internal control systems for the financial year ended 31st March, 2011.
- (d) We have indicated to the auditors and the Audit committee and that there had not been :
 - (I) significant changes in internal control during the financial year ended 31st March, 2011;
 - (ii) significant changes in accounting policies during the financial year ended 31st March, 2011 except the method of charging depreciation which has been duly disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Date: 03/10/2011
Place: New Delhi

sd/- (Dr. Bhaskar Roy) Director Finance & CFO	sd/- (Ajay K. Swarup) Managing Director
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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Economic Overview

The global economy weakened as growth moderated in both advanced economies and emerging market economies (EMEs) under the impact of high oil and other commodity prices, spillover from the Japanese natural disasters and monetary tightening in EMEs to contain inflationary pressures. Uncertainty about the resolution of the sovereign debt concerns in the euro region has led to increased risks to global growth prospects.

The Indian economy however continued to outperform most emerging markets during 2010-11 retaining its position as the second fastest growing economy, after China, amongst the G-20 countries. China and India contributed nearly a quarter of the incremental world output. GDP growth decelerated to 7.8 per cent in Q4 of 2010-11 from 8.3 per cent in the previous quarter and 9.4 per cent in the corresponding quarter a year ago. For the year as a whole, GDP growth in 2010-11 was 8.5 per cent.

The growth during 2010- 11 reflects a rebound in agriculture and sustained levels of activity in industry and services. However, high energy and commodity prices may impact output and investment climate, and pose a threat to maintaining high growth at a time when the investment momentum may be slowing down.

Certain factors do provide support to the growth process. Improved rabi production that would be reflected in Q1 of 2011-12 and likely normal south-west monsoon as forecasted by IMD could boost rural demand. High top-line growth for firms indicates strong demand conditions. Recent improvement in exports and decline in imports provides a strong base for net external demand. Given a billion plus population the consumption theme will continue to drive the Indian economy.

Company Overview

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

Associated Distilleries Limited (ADL) is an unlisted company and is engaged in the business of manufacturing, marketing and sales of industrial alcohol comprising rectified spirit, extra neutral alcohol, Country Liquor. As per the order of the Honorable High Court on 24th August, 2011 the demerged undertaking of Associated Distilleries Limited (ADL) was merged into GSL. The valuation study was independently conducted by Ernst & Young (E&Y). The board has approved the distribution ratio of 1:6 for the merger of the demerged undertaking of ADL into GSL i.e. for every 1 equity share of ADL of Rs.10 each fully paid up, 6 equity shares of Rs.10 each fully paid up will be issued according to the valuation criteria suggested by E&Y based on the CCM, DCF Market Price & the NAV method to value companies. Your Company will issue additional 3.24 million shares which will take the post dilution equity share capital to 22.99 million shares of face value Rs. 10 each. Stand alone key figures of ADL are as below :

Particulars (Rs. Mn.)	FY2011	Fy2010	Shift%
Revenues	968.3	784.1	23.5
EBIDTA	191.4	101.2	89.1
PAT	126.5	64.0	97.8

GSL operates out of three distilleries; one at Behror, Rajasthan and the other two at Haryana. All the distilleries have modern bottling facilities equipped with bottling machines which caters to its own production of Country Liquor and IMFL brands apart from having bottling tie-ups with various brand owners. The units at Behror and Samalkha are spread out in an area of around 17 acres each and have a combined capacity of 70.0 million bulk liters of alcohol on an annual basis while the ADL unit has a capacity of 14.4 million BL taking the total combined capacity to 84.4 million BL. These state-of-the-art plants at are capable of distilling alcohol from grain or molasses.

360° Product Offerings

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

Product	Cases/BL* (Mn.)	Sales (Rs. Mn.)
Branded IMFL	0.41	414
Country Liquor	8.81	2,429
IMFL Franchisee	0.78	1,289
Bulk Alcohol	23.33	808



Country liquor

In terms of volume, country liquor is the largest segment in the domestic alcohol industry. The Country Liquor business of Your Company continues to benefit from a healthy rural demand. Also in terms of affordability, the price differential between CL & branded IMFL on account of the steeper statutory levy on branded IMFL will continue to drive demand. The country liquor clientele includes consumers like agri-workers in rural India, construction and industrial workers in towns/cities and hence, affordability plays a crucial role. There are high entry barriers in this business as it is compulsory to have a distillery in the area of operation. GSL operates in the states of Haryana, Rajasthan & Delhi. Your Company has a strong foothold in these markets and with various marketing initiatives like creating strong brands in CL segment, using PET bottles has created a niche for itself in this segment. For FY2011 the CL business recorded volumes of stood at 88.15 lakh cases contributing 45.97% to the total revenue share.

Branded IMFL

The IMFL segment has been on a high growth curve recording more than 15% CAGR for the last five years. Within the IMFL segment whisky has been the largest contributor with over 55% share. Favorable demographics and rise in disposable incomes has been one of the key reasons for the robust growth in the IMFL segment in the past five years. Increasing social acceptability of drinking has also contributed to the growth in drinking trend coupled with the influence of western media. Low per capita consumption of alcohol in India presents a lot of untapped potential and a compelling opportunity for liquor manufacturers.

Your company successfully launched its flagship brand 'County Club' in June 2010. The blend as well as the innovative packaging which is a key differentiator compared to the peers in the same segment has been extremely well received. Since the launch of 'County Club' earlier this year, GSL has been successful in building a wide distribution network with a presence in 8 states which is an excellent platform for taking 'County Club' to the next level of growth. The branded IMFL strategy revolves around building a solid distribution network from where GSL is in a position to launch newer brands at higher price points. The branded IMFL business is in a rapid growth phase clocking volumes of 5.5 lac cases in FY2011 up by 112.36% compared to FY2010. Branded IMFL contributed Rs. 414.2 million of the total revenue in FY2011 translating in a revenue share of 7.84%. The focus remains on investing in brand building through higher A&P spends, entering newer markets and entry in to niche areas such as the CSD space.

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



Franchise Bottling & Bulk Alcohol

In its Franchise Bottling business, Your Company manufactures IMFL brands for Allied Blenders & Distillers and Jagatjit Industries from its Rajasthan and Haryana distilleries respectively. The arrangement has been renewed for a period of 3 years; post the expiry of the existing agreement in FY 2010. Brand-owners are generally hesitant to change tie-up manufacturers. Franchise Bottling is also of strategic importance given Your Company's endeavor to be an integrated alcohol manufacturer. Besides this, the expansion of other pan-India IMFL players without adequate bottling capacities will provide future opportunities for this business.

Your Company has successfully completed the capacity expansion program for increasing the output from 29mn bulk litres p.a. to 70mn bulk litres in the two distilleries at Samalkha & Behror, which is expected to significantly increase the volume. Also, with the help of the new technology, the company would be able to produce ENA without separately engaging through the interim process of manufacturing rectified spirits. This would make the process more energy efficient, help reduce power cost, and lead to lower wastage in the manufacturing process.

We have witnessed buoyancy in prices in the bulk spirits market and with the expanded capacities Your Company will be a key beneficiary. Also as per the Ethanol Blending Program, it is mandatory to blend 5% of ethanol with petrol. With increasing crude prices, OMCs also find it more profitable to use ethanol as a blend with petrol, and hence the increased demand appears sustainable. This should keep the prices firm in the near term.

Franchisee IMFL clocked volumes of 17.59 lac cases in FY2011 contributing Rs. 1289.1 million to the total revenue translating into a revenue share of 24.40%. Bulk alcohol recorded volumes of 233.34 lakh BL and contributed Rs. 808.1 million to the total revenue translating into a revenue share of 15.30%

Financial Review

Globus Spirits registered a healthy growth which is a testimony to a well-integrated production process, efficiency and various cost control and marketing initiatives undertaken during the year 2010-11. The Company achieved a growth of 13.3% in sales at Rs. 4,376 million compared to Rs. 3,864 million last year. The majority of expenditure i.e. the raw material & packaging cost formed about 45.74% of the total expenditure. EBIDTA was higher by 15.5% at Rs. 448 million and Profit after Tax stood at Rs.270 million.

The Consolidated financial figures of Globus Spirits Limited & Associated Distilleries Limited (ADL)

Particulars	(Rs. Mn.) FY2011
Revenues	5,335.1
EBIDTA	651.9
PAT	396.7
Total Equity Shares	22,997,741
EPS (Rs.)	17.25

Strategic Initiatives and CAPEX

Your Company aims to build economies of scale and has successfully completed the capacity expansion program to increase the capacity from 28.6 million BL to 70 million BL. Post the merger of ADL the combined capacity of ADL and GSL will stand at 84.6 million BL. The new capacities are already on stream the benefit of which will be visible in this financial year.

Balance Sheet perspective

Particulars	As on March 31, 2011	As on March 31, 2010
Gross Block	Rs.25,645.74lacs	Rs.11,196.27lacs
Networth	Rs.20,854.55lacs	Rs.16,137.97lacs
Total Debt	Rs.4,841.20lacs	Rs.1,370.94 lacs
- LTD	Rs.1,581.70lacs	Rs.940.23lacs
- Working Capital	Rs.3,259.50lacs	Rs.430.71lacs
Cash & Cash Equivalents	Rs.584.26lacs	Rs.2035.19lacs

Key Ratios

Particulars	As on March 31, 2011	As on March 31, 2010
Debt-to-Equity	0.23	0.08
Net Sales-to-Enterprise Value	0.71	1.03
Asset Turnover	0.69	0.65
ROCE	23%	24%
ROE	19%	18%

*Enterprise Value as on 31st March 2011 has been considered.

Key Growth Drivers and Outlook

The completion of the capacity expansion program is expected to drive the volumes in bulk alcohol and bottling segment and the growth in the branded IMFL space will be some of the key growth drivers going forward.

The CL market is expected to show healthy growth on account of strong rural demand as well as launch of new brands. Your Company has a dominant market share in all the CL markets it operates and launch of new flavors in the CL segment has been very well received. The CL market has high entry barriers and this limits the competitive intensity in the sector.

The branded IMFL segment is showing excellent growth and your Company is making efforts to establish itself as a key player in this segment. The launch of new brands in this space in the coming fiscal is expected to sustain the growth momentum provided by 'County Club'. The emphasis will be on building a strong distribution network supplemented by aggressive A&P spends. Bulk Alcohol and Franchisee Bottling will be direct beneficiaries of our capacity expansion program. Bulk alcohol prices are expected to remain firm which will provide a major leg up to profitability given our increased capacities. In addition our bottling alliances with



major liquor manufacturers continue to remain strong. The reliance on third party players on bottling will subside as our branded IMFL business gathers steam.

Given the numerous initiatives that are being implemented combined with strong operational foundation of our business we remain confident about our growth prospects going forward.

Environmental Compliance

Your Company is on its way of becoming a zero discharge company. We care for the environment as we believe in the philosophy of sustainable development. Air pollution is controlled through the installation of relevant control devices like ESPs which help in collection and purification of CO₂. The following are the steps we 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.

On the water side

1. All water re-circulated to process with or without treatment thus no discharge of any water stream
 2. Surplus water used in make ups or in the boiler and cooling towers after treatment
 3. Condensate from process reused in the boiler as boiler feed water
 4. Condensate from evaporator reused in the process after treatment
 5. All cooling water is through recirculation
 6. All bottle washing water reused after treatment in the process or used for horticulture
- Thus, achievement of zero discharge on all streams as per requirement of the Pollution Boards.

R&D Activities in Globus

Technology

- a) Higher efficiencies of conversion
The expansion is done with the state of the art latest technologies to get the best conversions to alcohol at the highest efficiencies. This would be in lines with the best practices being followed. We are also working on getting to improving conversions not only of starch but also to alcohol with new strain enzymes and yeasts.
- b) Improving Distillation techniques and translating that to the plant in the expansion – Multi-pressure
To improve both on quality and energy consumption the distillation plant shall be of the multi-pressure design which would give us the benefit of both. The quality would be matched with the best alcohol available in the country.
- c) Looking at alternate disposals of spent grain

To keep in lines with the requirements of government regulations we would look at the waste as cost 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 have launched and would be launching further brands in the future to build our market.

e) Alternate uses of Biogas to derive greater value for additional power and so on

Power generation directly from biogas is being examined. While it is being used presently for the generation of power through the steam route a direct more efficient system of power generation is also being examined through gas engines.

Corporate Social Responsibility

'We are proud to be a partner in the process of skills creation and empowerment of our youth, and hope our endeavors will assist in social inclusion becoming a reality in our nation.'

Realizing their social responsibility, the promoters of GSL launched GRAS Academy in 2006 to bring about social change by empowering the unemployed youth with vocational skills. The idea was to make them 'Edeployable' [Educated + Employable], capable of earning a livelihood to support their families. GRAS Academy works in both urban and rural areas with the underprivileged youth offering them vocational training, skills development and helping them find employment opportunities.

It is our belief that such skill-development exercises help the youth to increase earning potential, and in utilization of their education and personal talents. It motivates them to participate in productive activity helping them in acquiring a secured employment/self-employment.

The Government of India's recent initiative policy – The National Skill Development Mission, aimed at 'empowering all individuals to enable them to get access to decent employment and to promote inclusive national growth' calls for public-private partnership to ensure that its goals are met.

GRAS SD&EC offers nearly 50 short duration practical courses to semi-urban and rural youth. These courses are of 5 to 24 four weeks duration and focus on specific skills development in areas that have been identified as having income generating potential for the students.

GRAS Academy has already trained more than 13,000 candidates and 2,000 candidates are presently undergoing training at various locations. GRAS Academy, within a very short span has emerged as one of the leading Vocational Training Providers in the country.

GRAS Academy has currently 18 centers located in UP, Punjab, Delhi and Haryana. For more details, please visit – www.grasacademy.in

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 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.

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 2011 the employee count for the company stood at 290 compared to 232 on 31st March 2010.

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 labor relations.



Auditor's Report

To the Members of M/s. GLOBUS SPIRITS LIMITED

We have audited the attached Balance Sheet of M/s. GLOBUS SPIRITS LIMITED as at 31st March 2011 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. Since the scheme of arrangement provided for demerger of demerged undertaking of Associated Distilleries Limited into Globus Spirits Limited and consequent issue of equity shares by Globus Spirits Limited to the shareholders of Associated Distilleries Limited, pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956, has been approved by the Hon'ble High Court of Delhi w.e.f. Appointed Date 01st April 2010 vide dated 24.08.2011 & accordingly the scheme has been given effect while preparing these Financial Statements. These Financial Statement are the responsibility of the Company's management. Our responsibility is to express an opinion on 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, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - (iv) These Financial Statements as on 31st March 2011 are prepared on the basis of Audited Balance Sheet, Profit & Loss A/c, Cash Flow Statement & Notes to Accounts as on 31st March, 2011 of Globus Spirits Limited (signed on 16th May, 2011) and Associated Distilleries Limited (signed on 16th May, 2011).
 - (v) In our opinion, the Balance Sheet, Profit & Loss Account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (vi) On the basis of the written representation received from the directors as on 31/03/2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31/03/2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (vii) 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 2011 ;
 - (b) In the case of Profit & Loss Account, of the Profit for the year ended on that date and;
 - (c) In the case of Cash Flow Statement of the cash flow of the company for the year ended on that date.

**For B. M. Chatrath & Co.,
Chartered Accountants**

Sd/-

UMESH C. PANDEY

Partner

M. No. 55252

Place : New Delhi
Dated : 03rd October, 2011

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 2011)

- i) (a) The Company has maintained reasonable proper records showing particulars including quantitative details and situation of fixed assets.
(b) As explained to us, these fixed assets have been physically verified by the management during the year at reasonable intervals and no material discrepancies were noticed.
(c) According to information and explanation given to us, since the company has not disposed off a substantial part of the fixed assets during the period, paragraph 4(1) (c) of the companies (Auditor's Report) order, 2003 is not applicable.
- ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory, Discrepancies noticed on verification between physical stocks and the book records were not material.
- iii. In our opinion and according to the information and explanations give to us, the Company has not granted or taken unsecured loan to and from parties covered in the register maintained under section 301 of the Act.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods. During the course of our audit we have not observed any continuing failure to correct major weakness in internal controls.
- v. No transactions have been entered during the year in the register 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.
(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 2011 for a period of more than six months from the date they became payable.
(c) According to the information and explanation given to us no there are no dues of Sales Tax, Income Tax and Cess which have not been deposited on account of any dispute.
- x. The company does not have accumulated losses as at 31st March 2011. The company has not incurred cash losses during the year covered by our audit and the immediately preceding financial year.
- xi. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution or bank and or debenture holders.
- xii. In our opinion and according to the information and explanation given to us, the company has not granted any loan and advances on the basis of security by way of pledge of shares, debentures and others securities.



- xiii. In our opinion and according to the information and explanation given to us, the company is not a Chit Fund or a Nidhi Mutual Benefit Fund/ Society therefore the provisions of clause 4 (xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xiv. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xv. In our opinion & according to the information and explanation given by the management to us, the company has not given any guarantee for loan taken by others from bank or financial institutions, accordingly the provisions of clause 4 (xv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xvi. In our opinion & according to the information and explanation given by the management to us, on an overall basis, the term loan have been applied for the purpose for which they were raised.
- xvii. According to the information and explanation given to us the funds raised on short term basis have not been utilized for long term investment.
- xviii. According to the information and explanations given to us, during the year the company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Act.
- xix. The company has not issued any debentures during the year and therefore clause (xix) of paragraph 4 of the order is not applicable to the company for the current year.
- xx. According to the information and explanations given to us, the company has 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
M. No. 55252

Place : New Delhi
 Dated : 03rd October, 2011



Globus Spirits Limited

BALANCE SHEET AS AT 31ST MARCH' 2011

	Schedule	As at 31st March'2011	As at 31.03.2010
SOURCE OF FUNDS :			
Shareholders Funds :			
Share Capital	A	22,99,77,410	19,75,77,410
Reserve & Surplus	B	1,85,54,77,323	1,41,62,32,625
Total (i)		2,08,54,54,733	1,61,38,10,035
Loan Funds :			
Secured Loans (ii)	C	48,12,99,795	5,53,27,563
Unsecured Loans (iii)	D	28,19,883	8,17,65,976
Deferred tax liability		26,02,00,353	18,37,35,146
Total Funds employed (i + ii + iii)		2,82,97,74,764	1,93,46,38,720
APPLICATION OF FUNDS :			
i) Fixed Assets :			
Gross Block	E	2,56,45,74,064	1,11,96,26,922
Less : Depreciation		36,95,17,278	22,59,56,958
Net Block		2,19,50,56,786	89,36,69,964
Capital Work in Progress		12,86,58,028	46,92,07,128
ii) Investments	F	11,77,153	2,59,253.
iii) Current Assets, Loans & Advances			
Interest accrued but not due	G	49,36,563	23,64,113
Inventory		33,25,12,175	27,19,07,100
Sundry Debtors		42,05,04,147	27,98,43,623
Cash & Bank Balances		5,84,25,536	20,35,19,695
Loans & Advances		44,66,92,341	37,16,24,404
Deferred Revenue- Brand Promotion Exps		17,67,416	35,34,832
Total		1,26,48,38,178	1,13,27,93,767
Less : Current Liabilities & Provisions	H		
Liabilities		75,99,55,382	56,13,04,922
Net Current Assets		50,48,82,797	57,14,88,845
iv) Miscellaneous Expenditure	I	-	13,530
(To the extent not written off or adjusted)			
Total (i) + (ii) + (iii) + (iv)		2,82,97,74,764	1,93,46,38,720

Annexed to our Report of even date

For & on Behalf of the Board

For B.M. Chatrath & Co.
Chartered Accountants

Sd/-
(Umesh C. Pandey)
Partner
M.No. 55252
Place : New Delhi
Date : 3rd October, 2011

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

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



Globus Spirits Limited

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2011

	Schedule	For the Year ended 31st March'2011	For the Year ended 31st March'2010
INCOME			
Sales		5,21,57,76,883	3,84,28,81,719
Other Income	J	5,88,65,829	3,30,51,487
Increase / (Decrease) in Stock		16,10,672	1,73,74,905
Total Income		5,27,62,53,384	3,89,33,08,111
EXPENDITURE			
Raw & Packing Material Consumed	L	2,22,21,02,317	1,63,75,88,909
Manufacturing Expenses	M	67,44,06,593	41,61,97,498
Excise Duty Paid		1,40,22,89,089	1,19,28,79,362
Employees Remuneration & Benefits	N	6,74,33,367	4,49,34,868
Administration & Other Expenses	O	5,11,28,240	3,05,28,470
Financial Expenses	P	2,83,89,419	1,42,33,070
Selling & Distribution Expenses	Q	20,53,20,112	16,92,32,178
Deferred Revenue- Brand Promotion W/Off		17,67,416	17,67,416
Perliminary Exp. Written-off		13,530	20,535
Total Expenditure		4,65,28,50,082	3,50,73,82,305
Profit/ (Loss) before depreciation & prior period & extra ordinary expenses		62,34,03,302	38,59,25,806
Expenses Related to prior period		-	-
Less: Depreciation during the year		6,94,32,480	4,37,86,092
		55,39,70,822	34,21,39,714
Add: Depreciation Written Back		-	11,66,76,618
Profit before Tax		55,39,70,822	45,88,16,332
Less: Provision for taxation			
Current Tax		11,04,01,155	6,20,00,000
Deferred tax		4,42,53,997	10,76,22,825
Profit after Tax		39,93,15,670	28,91,93,507
Add: Profit Brought Forward		61,69,09,767	35,83,31,822
Profit Available For Appropriation		1,01,62,25,437	64,75,25,329
Proposed Dividend on Equity Shares @ 10%		2,29,97,741	1,97,57,741
Provision of Tax on Dividend		38,19,925	33,57,828
Transfer To General Reserve		1,00,00,000	75,00,000
Balance Carried to Balance Sheet		97,94,07,771	61,69,09,760

Annexed to our Report of even date

For & on Behalf of the Board

For B.M. Chatrath & Co.
Chartered Accountants

Sd/-
(Umesh C. Pandey)
Partner
M.No. 55252
Place : New Delhi
Date : 3rd October, 2011

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

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

Globus Spirits Limited

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH,2011

Description	As at 31.03.2011	As at 31st March'10
Schedule 'A'		
SHARE CAPITAL		
Authorised :		
2,50,00,000 Equity Shares of Rs. 10 each	25,00,00,000	25,00,00,000
(i) Issued, Subscribed & Paid up:		
19757741 Equity Shares of Rs 10 each, fully paid-up (Out of the above 1,13,67,510 shares are held by Chandbagh Investments Ltd, the Holding Company.)	19,75,77,410	19,75,77,410
(ii) Share Capital Suspense		
32,40,000 Equity Shares of Rs.10/- each fully paid up to be Allotted pursuant to scheme of arrangement of demerger vide court order dated 24th August 2011 for consideration Other than cash	32,400,000 22,99,77,410	 19,75,77,410
Schedule 'B'		
RESERVE & SURPLUS		
General Reserve		
Opening Balance	11,05,69,552	3,63,22,865
Security Premium Account	75,55,00,000	75,55,00,000
Transferred from Profit & Loss Appropriation Account	1,00,00,000	75,00,000
	87,60,69,552	79,93,22,865
Surplus/ (Deficit)		
Transferred to/ from Profit & Loss Appropriation Account	97,94,07,771	61,69,09,760
Total	1,85,54,77,323	1,41,62,32,625
Schedule 'C'		
SECURED LOANS		
SBI-CC Limit/ SBBJ-CC Limit (Book Debts	32,59,49,583	4,30,70,880
SBI TERM LOAN / SBBJ Term Loan	15,06,05,914	99,97,829
(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/HDFC Bank	47,44,298	22,58,854
(Secured by hypothecation of the vehicles)		
Total	48,12,99,795	5,53,27,563
Schedule 'D'		
UNSECURED LOANS		
Inter Corporate Deposits (Interest Free)	28,19,883	17,65,976
ABN Amro Bank		8,00,00,000
Axis Bank	28,19,883	8,17,65,976



Globus Spirits Limited

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

Schedule 'E'

Fixed Assets as at 31st March, 2011

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

DESCRIPTION	As on 01/04/2010	GROSS BLOCK Additions	Sale/ Disposal	As on 31/03/2011	Upto 01/04/2010	DEPRECIATION Total during the year	Sale/ Disposal	Upto 31/03/2011	NET BALANCES AS ON 31/03/2011	31/03/2010
Land	13697583			13697583					13697583	13697583
Factory Building	172100332	89947253		262047585	26741627	6344506		33086133	228961452	145358705
Plant & Machinery	1020697985	1060848714	999600	2080547099	245292218	53578239	71287	298799170	1781747929	775405767
Electric Fitting	8192078	1814219		10006297	4400002	535336	-	4935338	5070959	3792076
Vehicles	40807891	3746000	1457826	43096065	13085910	3987495	554735	16518670	26577395	27721981
Furniture	8088647	218917		8307564	2596091	519414		3115505	5192059	5492556
Office Equipments	5153290	565017		5718307	1970940	258864		2229804	3488503	3182350
Wireless System	159052	-		159052	152217		-	152217	6835	6835
Tools & Equipments	10993	-		10993	10610	-		10610	383	383
Computer	4209658	786220	26365	4969513	2723717	627347	6125	3344939	1624574	1485941
Tractors	1476564	-		1476564	894984	103826		998810	477754	581580
Cycle	5845	-		5845	2281	413	-	2694	3151	3564
Intangible-Knowhow & New Brand Development	80418123	54113474		134531597	2846348	3477040		6323388	128208209	77571775
TOTAL	1355018041	1212039814	2483791	2564574064	300716945	69432480	632147	369517278	2195056786	1054301096
Previous Year	865653861	258492795	4519734	1119626922	185668971	43786092	3498106	225956957	893669965	679984890
Capital Work In Progress	469207128			128658028						

**As at
31.03.2011** **As at
31st March'2010**

Schedule 'F'

INVESTMENTS (Current)

Quoted In Shares

(Face Value Rs.10/- each)

Burroughs Welcome (India) Ltd

(Previous Year - 100 shares)

Bank Of India:

2900 shares of Rs.10/- fully paid up

(Market Value as on 31.3.2011 is Rs.478.10)

Catvision Products Ltd :

2500 Equity Shares Fully paid up

(Market Value as on 31.3.2011 is Rs.13.90)

Unquoted Shares

Biotech India Ltd. (22430+2000=24430 shares)

Haryana Financial Corporation :

24100 Equity Shares fully paid up at cost

In Units of Mutual Funds

(Face Value Rs.10/- each)

Kothari Pioneer FMCG Fund- Dividend Payout

(Previous year 1229.746 units)

Less: Provision for diminution in value of Investments

Total

18,265	18,265
-	-
-	-
-	-
31,900	-
-	-
-	-
22,500	-
-	-
2,44,300	2,24,300
-	-
8,43,500	-
-	-
-	-
16,688	16,688
-	-
-	-
11,77,153	2,59,253
-	-
11,77,153	2,59,253

Globus Spirits Limited

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH,2011

Description	As at 31.03.2011	As at 31st March'10
Schedule 'G'		
CURRENT ASSETS, LOANS & ADVANCES :		
Current Assets :		
Interest accrued but not due	49,36,563	23,64,113
Inventories :		
(Physical Inventory taken, verified, valued & certified by the Management)		
Raw Material (valued at average cost)	9,82,71,177	9,32,08,484
Packing Material (valued at average cost)	8,51,17,219	5,46,15,823
Fuel ,Stores & Spares(valued at cost)	2,36,61,153	2,39,19,620
Finished Goods (valued at cost or market price whichever is lower)	12,54,62,626	9,96,38,268
Material in transit	-	5,24,905
	33,25,12,175	27,19,07,100
Sundry Debtors : Unsecured considered good		
Debts outstanding for a period exceeding six months	3,52,66,383	69,74,329
Doubtful Debtors	25,04,008	25,04,008
Other Debts	38,27,33,756	27,03,65,286
	42,05,04,147	27,98,43,623
Cash & Bank Balances :		
Cash in hand	38,76,118	43,20,088
Imprest with staff	5,82,009	8,02,724
Balance with Scheduled Banks in : Current Accounts	2,51,66,149	3,31,79,634
Fixed Deposit	1,17,94,188	17,40,000
Cheques in Hand / Transit	26,10,029	3,30,893
Earnest Money	38,38,991	
Liquid Funds-Reliance Money manager	1,05,58,052	16,31,46,356
Total	5,84,25,536	20,35,19,695
LOANS & ADVANCES :		
Loans :		
(Considered good) (Interest free)		
To staff	8,01,712	10,06,011
Advances (unsecured) (Considered good)	6,01,14,118	2,64,86,666
Advances recoverable in cash as TDS or for value to be received :	38,58,446	24,30,869
- Advances for Capital Goods	8,44,94,930	19,92,31,842
Advance to Suppliers & others	19,84,70,622	5,21,77,487
Duty & Taxes	81,89,201	2,51,64,501
Security Deposit	4,91,55,981	4,46,53,501
Pre-paid Expenses	2,21,90,254	1,67,73,586
Sales Tax Deposited (Under Protest)	1,80,17,077	22,99,941
Advance Fee For Punjab Licence	14,00,000	14,00,000
Total	44,66,92,341	37,16,24,404
Deffered Revenue- Brand Promotion :		
Opening Balance	35,34,832	53,02,248
Add During the year	-	-
Less: Written Off	17,67,416	17,67,416
Total	17,67,416	35,34,832





Globus Spirits Limited

SCHEDULES ANNEXED TO AND FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH, 2011

Description	As at 31.03.2011	As at 31st March'10
Schedule 'H'		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities :		
Sundry Creditors	4,340,76,014	27,61,85,772
Creditors for Capital goods	1,51,55,764	12,57,40,301
Advances from customers	7,66,72,566	1,81,37,208
Other Liabilities	23,40,51,038	14,12,41,641
Total	75,99,55,382	56,13,04,922
Schedule 'I'		
MISCELLANEOUS EXPENDITURE		
(To the extent not written-off or adjusted)		
Preliminary Expenses & Pre-operative expenses		
Balance as per last year	13,530	34,065
Less : Amortized during the year	13,530	20,535
	-	13,530
Schedule 'J'		
OTHER INCOME		
Profit on Investments	26,44,687	66,46,937
Other Operating Income	5,20,65,718	2,07,73,831
Interest Received	40,01,637	48,11,951
Profit on sale of Fixed Assets	51,687	6,93,372
Dividend Income	-	-
Miscellaneous Income	1,02,100	1,25,396
	5,88,65,829	3,30,51,487
Schedule 'K'		
INCREASE / (DECREASE) IN STOCK		
Closing Stock	12,54,62,626	9,96,38,268
Less: Opening Stock	12,38,51,954	8,22,63,363
	16,10,672	1,73,74,905
Schedule 'L'		
RAW MATERIAL & PACKING MATERIAL CONSUMED		
1 Raw Material		
Opening Stock	10,05,40,070	7,83,87,299
Add : Purchases	1,43,60,67,606	1,06,84,25,404
	1,53,66,07,676	1,14,68,12,703
Less: Closing Stock	9,82,71,177	9,32,08,484
Raw Material Consumed	1,43,83,36,499	1,05,36,04,219
2. Packing Material		
Opening Stock of Packing Material	6,75,21,864	5,64,27,398
Add : Purchases of Packing Material	80,13,61,173	58,21,73,115
	86,88,83,037	63,86,00,513
Less : Closing Stock	8,51,17,219	5,46,15,823
Packing Material Consumed	78,37,65,818	58,39,84,690
Total of 1&2	2,22,21,02,317	1,63,75,88,909

Globus Spirits Limited

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH,2011

Description	As at 31.03.2011	As at 31st March'10
Schedule 'M'		
MANUFACTURING EXPENSES		
Opening Stock Power & Fuel	2,56,19,815	1,47,97,965
Add : Purchases	34,51,45,284	17,72,33,292
	37,07,65,099	19,20,31,257
Less: Closing Stock	2,36,61,153	2,39,19,620
Power and Fuel Consumed	34,71,03,946	16,81,11,637
Chemicals & Stores	3,66,26,236	4,27,60,076
Repairs: Plant & Machinery & Building	1,04,23,209	61,99,018
Generator Hiring Charges	9,65,401	-
Licence Fees	3,14,69,728	1,78,25,050
Security Expenses	18,20,485	15,00,304
Conversion Charges	1,60,02,610	3,90,60,760
Bottling Expenses/Fees	17,19,63,845	11,84,11,757
Land Lease	14,98,449	16,16,370
Inspection, Testing & Sampling	7,65,804	4,79,373
Effluent Disposal / Bio Compost Expenses	85,18,510	30,63,320
Flour feeding charges/ Pet Coke Feeding	1,19,71,912	29,69,480
Turnover Tax/ Permit Fee Etc./Hologram Exp.	1,33,94,246	56,87,817
Freight & Cartage	1,47,68,929	69,83,435
Service Tax on Transportation/TOT	71,13,283	15,29,101
Total	67,44,06,593	41,61,97,498
Schedule 'N'		
EMPLOYEES REMUNERATION & BENEFITS		
Salary & Wages	5,85,78,703	4,14,84,173
PF Contribution	24,85,120	14,68,852
Provision for Leave Encashment	1,73,460	51,860
Provision for Gratuity	42,37,274	5,11,820
Staff Tea & Food Expenses	19,58,810	14,18,163
Total	6,74,33,367	4,49,34,868
Schedule 'O'		
ADMINISTRATIVE & OTHER EXPENSES		
Legal, Professional & Consultancy	62,36,947	20,30,008
Printing & Stationery	12,52,158	8,96,368
Postage & Telephone	27,70,904	23,50,929
Travelling Expenses	91,61,763	58,87,636
Subscription, Books & Periodicals	9,28,771	5,53,462
Wealth Tax	1,56,241	84,566
Electricity Expenses	6,37,023	5,37,086
Rent	48,72,757	35,04,708
Repair & Maintenance - Others	92,88,835	50,82,407
Insurance	27,66,915	30,46,928
Advertisement	7,36,636	6,31,407
Rates & Taxes	4,44,845	3,88,502
Incom Tax, FBT & Interest on FBT Paid	5,400	-
Audit Fee	3,70,000	3,00,000
Recruitment & Training	6,40,374	2,11,191
Exchange Fluctuation	1,045	-
Vehicle Repair & Maintenance	31,19,242	16,97,572



Globus Spirits Limited

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH,2011

Description	As at 31.03.2011	As at 31st March'10
Conveyance	5,80,868	4,80,084
Director's Sitting Fee	2,57,210	86,435
sports expenses	96,041	78,827
Miscellaneous Expenses	28,58,289	19,19,427
Investor Relation Exps.	34,19,178	
Loss on sale Fixed Assets	1,43,091	
Mandir Maintenance	25,885	
Donation	3,57,822	7,60,927
Total	5,11,28,240	3,05,28,470
Schedule 'P'		
FINANCIAL EXPENSES :		
Interest	2,70,11,774	1,30,91,343
Bank Charges	13,77,645	11,41,727
Total	2,83,89,419	1,42,33,070
Schedule 'Q'		
SELLING & DISTRIBUTION EXPENSES :		
Discount, Claims & Rebates	3,03,04,290	2,11,41,568
Business Surplus to BDA	6,48,01,377	6,47,67,717
Carriage & Freight outward	7,38,32,376	5,37,01,947
Excise Establishment & Supervision/Export fee	44,74,570	44,28,998
Sales Promotion Expenses	1,09,15,908	46,17,264
Sales Incentive	14,73,096	12,90,777
Delhi Godown Expenses	1,00,00,106	1,15,12,375
Marketing Expenses/Commission	95,18,389	77,71,532
Total	20,53,20,112	16,92,32,178

Globus Spirits Limited

NOTES FORMING PART OF BALANCE SHEET FOR THE YEAR ENDED ON 31ST MARCH, 2011.

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with generally accepted accounting principles ('GAAP') in India, applicable Accounting Standards ('AS') as prescribed by Companies (Accounting Standard) Rules, 2006, provisions of the Companies Act, 1956 ('the Act') and guidelines issued by the SEBI, as applicable to the Company.

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 provided depreciation as per Straight line method in accordance with schedule xiv of 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

Sales are recognized on delivery or on passage of titles of the goods to the customers. They are accounted net of sales return but inclusive of excise duty. Income from investments is accounted for in which right to receive of such income is established.

7. RETIREMENT BENEFITS

The company has various schemes of retirement benefit, namely Gratuity, Leave encashment and Provident fund and 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, 2011 amounting to Rs.65,17,606/-

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

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. Demerger of Demerged undertaking of Associated Distilleries Limited (Demerged Company) into Globus Spirits Limited (Resulting Company)

During the current year Pursuant to the scheme of Arrangement provided for demerger of Demerged Undertaking of Associated Distilleries Limited ("Transferor Company") into Globus Spirits Limited ("Transferee Company") which has been applied u/s 391 to 394 and other relevant provisions of the Companies Act, 1956 vide CA (M) No. 37 of 2011 dated 17th February 2011 and sanctioned by Hon'ble High court of Delhi vide order dated 24th August 2011, the demerger has been taken place w.e.f. 01st April 2010 ("The Appointed Date").

The salient particulars of the scheme and the related accounting treatment are as under:

- Pursuant to the scheme, the entire undertaking of Associated Distilleries Limited consisting of assets situated at Hisar - Haryana (except Freehold Land, Road, Building and Mandir) and liability stood transferred and become vested with the Globus Spirits Limited. The following assets & liabilities of Demerged undertaking of Associated



Distilleries Limited as on 01-04-2010 are transferred in to Globus Spirits Limited:-

ASSETS	
Particulars	Amount (in Rs.)
Plant & Machinery	33,475,839
Water Polution Controlling Project	10,381,225
Bio Gas Plant	0
Bio gas Reactor	19,978,844
Boiler/Furnesh	3,126,801
Electric Installation	101,605
Vehicles	12,543,293
Cooling Tower	1,024,828
Generator	1,816,328
Furniture & Fixtures	219,369
Office Equipment	718,600
Tubewell	-
Refrigerator	8,738
Air conditioner	233,815
Fans & Coolers	102,401
Lab. Equipment	93,679
Typewriter	4,066
Intercom	39,821
Fax Machine	34,086
Cycle	3,564
Turbine	4,118,636
Photocopier M/c	35,539
Computer	159,164
R O Plant	18,992,541
De- Canter (Pollution Controlling Process)	2,821,379
Water Polution Controlling Lagoons	29,456,197
Grain Plant	21,140,774
Investments	917,900
Inventory	46,151,508
Sundry Debtors	23,857,440
Cash & Bank Balance	18,180,747
Loans & Advances	84,726,992

LIABILITIES	
Particulars	Amount (in Rs.)
Secured Loans	34,658,187
Unsecured Loans	12,531,904
Deferred tax Liability	32,890,833
Current Liability & Provisions	1,55,917,732

On and from the appointed dated, all the assets (except Freehold Land, Road, Building and Mandir) and liabilities pertaining to the Demerged Company have been recorded in the book of the company At Book Value.

Pursuant to Demerger, Upon Scheme becoming effective and without any further application, act or deed, the Transferee Company, in consideration of the transfer and vesting of the Demerged Undertaking in the Transferee Company, the Transferee Company shall issue and allot to the members of the Transferor Company ("Members"), 6 (Six) equity shares of Rs. 10/- each for every 1 (one) fully paid equity share of Rs.10/- each held by the Member whose names appear in the Register of Members of the Transferor Company, as on the Record Date, fixed in respect of the Transferor Company or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Transferor Company. Hence Rs.3,24,00,000/- has been shown in the share capital suspense account, as 32,40,000 equity shares of Rs.10/- each to be allotted on 03/10/2011 to the shareholders of transferor company holding 5,40,000 equity shares of Rs.10/- each in Associated Distilleries Limited.

The excess of aggregate value of asset over aggregate value liabilities of the Demerged Undertaking, over the the aggregate value of the equity share issued and allotted is Rs.667,46,687 which is transferred to Revenue Reserve as specified in para 16(d) of the Scheme approved by Hon'ble High court of Delhi.

Computation of the amount transferred to Revenue Reserve:-

Net Assets transferred (i.e.Assets-Liabilities)	Rs.9,91,46,687/-
Value of Shares towards consideration	Rs.3,24,00,000/-
Difference	Rs.6,67,46,687/-

With effect from the Appointed Date and upto the Effective Date:-

The Transferor Company shall be deemed to have been carrying on all business and activities relating to the Demerged Undertaking and stand possessed of the properties to be transferred to Transferee Company for and on account of and in trust for Transferee Company .account of and in trust for Transferee Company .

All income, receipts, profits of whatsoever nature accruing to the Transferor Company or losses, expenses and payments of whatsoever nature arising or incurred by it relating to the Demerged Undertaking shall for all purposes, be treated as profits, income, receipts, or losses, expenses, payments, as the case may be, of the Transferee Company .

Tax Deducted at Source (TDS), if any, by the Transferee Company under the Income Tax Act, in respect of the payments made by the Transferee Company to the Transferor Company, on or after the Appointed Date, which pertain to the Demerged Undertaking, shall be treated as advance tax paid by the Transferee Company and accordingly, the Transferee Company shall be entitled to claim the the credit for such TDS as advance tax paid , notwithstanding the fact that the challans or deposit receipts are towards TDS. The TDS certificate(s), if any, issued by the Transferee Company to the Transferor Company for such payments shall stand cancelled without any further act or deed and no credit on such TDS certificates shall be made available to the Transferor Company on the Scheme becoming effective.

It is specifically declared that the tax deducted at source (TDS) from the income of the Demerged Undertaking of the Transferor Company, in terms of the provisions of Chapter XVII of the Income Tax Act or any advance tax paid by the Transferor Company in respect of the Demerged Undertaking, for the period beginning from the Appointed Date and ending as on the Effective Date, shall be deemed to be tax paid by the Transferee Company and the Transferee Company shall be entitled to claim credit for such taxes deducted or paid, whether by way of TDS or advance tax, notwithstanding that certificates / challans or other documents for payment of such taxes are in the name of the Transferor Company and not in the name of the Transferee Company.

2. Segment Reporting

In the opinion of the management, company is involved in only one type of product Industrial & Potable Alcohol as envisaged by AS 17 'Segment Reporting', prescribed by the Companies (Accounting Standards) Rules, 2006. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company.

Secondary segmentation based on geography has not been presented as the Company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.

3. Deferred Revenue Expenditure:

"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.

4. Related party relationships and transactions

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 Rambagh Estates Private Limited.

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

Related Party Transactions	Key management Personnel	(Rs. in Lacs) Associates
Salaries & Other Allowances	50.16	-----
Lease Rental Transactions	-----	31.82
With Rambagh Estates Pvt. Ltd.		



5. Taxation

- Current tax is the provision made for the MAT payable during the year in accordance with the provisions under section 115JB of the Income Tax Act, 1956.
- Deferred tax is recognized, on timing differences, being the difference resulting from the recognition of items in the financial statements & in estimating its current income tax provision.
- Deferred tax assets are recognized on unabsorbed depreciation to the extent there is virtual certainty supported by convincing evidence & on others to extent that there is reasonable certainty of their realization
- Deferred tax assets & liabilities are measured using the tax rates & the laws that have been enacted or substantially enacted at the balance sheet date.

Calculation of Deferred Tax Liability

Closing WDV as per Co. Act	Rs. 219,50,56,786/-
Closing WDV as per I.T. Act	Rs. 141,17,33,678/-
Difference	Rs. 78,33,23,108/-
Tax on above (@33.2175%)	Rs. 26,02,00,353/-
Less: Opening Deferred Tax Liability	Rs. 21,59,46,356/-
Current Year Deferred Tax Liability	Rs. 4,42,53,997/-

6. Impairment of Assets

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.

7. Contingent Liability:

Contingent Liabilities not provided in the book of account of Rs.38,75,173/- Security executed in favour of Excise authorities for bottling case pending before the high court for Punjab & Haryana which is related to Demerged undertaking of M/s Associated Distilleries Limited.

8. Guarantees:

The FDR's amounting to Rs.28,03,188/- are under the lien of bank. NSC of Rs.50,000/- is with directorate of Industries which is also related to Demerged undertaking of M/s Associated Distilleries Limited.

- 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.
- Balances of Debtor & creditors and Advances to and from parties are subject to Reconciliation & Confirmation which pertains to both Demerged company & Resulting company.
- The amount falling due within one year in respect of secured loans is Rs. 5,08,65,262/- which pertains to both Demerged company & Resulting company.
- There is no amount due to small-scale industries over Rs.1 lac shown under the head "Sundry Creditors"
- The profit & loss account and Balance sheet comply with accounting standards referred to in section 211(3C) of the Companies Act 1956.
- Insurance claims which are of not significant value are accounted for on receipt basis.
- Figures for the financial year 2010-2011 are post-demergence of demerged undertaking of Associated Distilleries Limited into Globus Spirits Limited & hence not comparable with those of the previous year figures.
- Figures have been rounded off to the nearest rupee.
- Other information pursuant to para 3 to 4D of part-II of schedule VI of the Companies Act 1956 has not been furnished as the same is not applicable.

Annexed to our Report of even date

For & on Behalf of the Board

For B.M. Chatrath & Co.
Chartered Accountants

Sd/-
(Umesh C. Pandey)
Partner
M.No.55252
Place : New Delhi
Date : 3rd October, 2011

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

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

Globus Spirits Limited

18 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)	8,44,00,000	BL Per Annum
Installed Capacity (Rectified Spirit)	8,44,00,000	BL Per Annum

B Quantitative Details

	Current Year 2010-11.			Previous Year 2009-10		
	Quantity			Quantity		
a) Production						
Industrial Alcohol (Beh)	1,41,48,133	BL		1,56,95,331	BL	
Industrial Alcohol (Sam)	2,40,51,914	PL		2,35,03,293	PL	
Industrial Alcohol (Hisar)	1,50,21,614	PL		-	PL	
ENA	4387436	BL		57,36,582	BL	
Country Liquor (Sam)	16826702	PL		1,81,33,313	PL	
Country Liquor(Beh)	2522389	Cases		25,18,971	Cases	
Country Liquor(Hisar)	11388083	Cases		-	Cases	
IMFL -ABD	7,86,594	Cases		8,17,198	Cases	
IMFL -UNITS	4,28,840	Cases		2,04,579	Cases	
IMFL -Hisar Unit	58,617	Cases		-	Cases	
b) Opening Stock	Quantity		Value(Rs.)	Quantity		Value(Rs.)
Finished Goods						
Industrial Alcohol (Beh)	1119056	BL	35383653	7,33,442	BL	2,07,22,215
Industrial Alcohol (Sam)	943859	PL	19125003	10,43,532	PL	1,84,58,293
Industrial Alcohol (Hisar)	745964	PL	14732785			
ENA	224475	BL	7546669	2,18,150	BL	68,17,925
C/L Blend (Behror)	226896	BL	2696736	1,74,722	BL	18,93,855
IMFL Blend UP		BL	624164	20,073	BL	7,30,653
CL Stock - Delhi Godown	45760	Cases	8290797	647	Cases	93,991
CL-Blending Stock- Sam.	99356	PL	2042658	4,05,332	PL	73,04,060
CL-Blending Stock- Hisar	117998	PL	1919197			
IMFL-Blend-Behror	881	BL	12879	8,508	BL	1,21,293
IMFL-Malt Blend-Behror	1729	BL	208206	1,729	BL	2,08,206
IMFL-Blend-Sam.	45145	PL	1076364	77,646	PL	16,16,821
IMFL-Blend-Hisar	76911	PL	1956791			
CL-Bottled Stock -Behror	26581	Cases	5955982	14,909	Cases	29,68,702
CL-Bottled Stock-Samalkha	146804	PL	4890448	2,02,433	PL	61,03,273
CL-Bottled Stock-Hisar	161843	PL	4722025			
IMFL-Bottled -Other Units	16075	Cases	9251746	30,268	Cases	1,23,68,543
IMFL-Bottled-Behror	2385	Cases	574332	2,121	Cases	5,95,213
IMFL-Bottled-Samalkha	40312	PL	1958632	68,520	PL	22,57,919
IMFL-Bottled-Hisar	22307	PL	882888			
RTD Bottle Stock		Cases		5	Cases	2,400
Total			12,38,51,955			8,22,63,362
Raw Material						
Molasses Behror	1331.4	QTL	6,02,643	1,331	QTL	6,02,643
Molasses (Samalkha)		QTL		4,846	QTL	27,13,692
Molasses (Hisar)	323	QTL	2,07,510	-		-
Bajra/ Rice Flour (Behror)	36332.86	QTL	37663989	34,071	QTL	2,76,55,448
Bajra/ Rice Flour (Samalkha)	40096.3	QTL	40901746	36,519	QTL	3,35,84,774
Bajra/ Rice Flour (Hisar)	4049	QTL	4524304			
Raw Material (Others)-Beh.		-		1431989		45,34,484
Raw Material (Others)-Sam.				2693190		19,53,882
Raw Material (Others)-Units				9914927		73,42,376
Raw Material (Others)-Hisar				2599772		
Total			9,79,40,298			7,83,87,299
c) Closing Stock						
Raw Material						
Molasses (Behror)	1331.4	QTL	6,02,643	1331.4	QTL	602643
Molasses (Hisar)	323	QTL	2,07,510			
Bajra/ Rice Flour (Behror)	34912.24	QTL	3,49,49,677	36332.86	QTL	37663989
Bajra/ Rice Flour (Samalkha)	37806.73	QTL	3,76,72,375	40096.3	QTL	40901746
Bajra/ Rice Flour (Hisar)	7005	QTL	72,13,521			
Raw Material (Others)-Beh.			52,71,345			1431989
Raw Material (Others)-Sam.			21,06,013			2693190
Raw Material (Others)-Units			69,52,564			9914927
Raw Material (Others)-Hisar.			32,95,529			
Total			9,82,71,177			9,32,08,484
BLEND						



Globus Spirits Limited

CL-Blending Stock- Sam.	115089.5	PL	2365738	99,356	PL	20,42,658
C/L Blend (Behror)	223461	BL	2780372	2,26,896	BL	26,96,736
C/L Blend (Hisar)	64351	PL	1483722			
IMFL-Blend-Behror		BL		881	BL	12,879
IMFL-Malt Blend-Behror	740	BL	89111	1,729	BL	2,08,206
IMFL-Blend-Sam.	196609.28	PL	4426404	45,145	PL	10,76,364
IMFL-Blend-Hisar	95882	PL	2072555			
IMFL Blend UP		BL	-		BL	6,24,164
Finished Goods						
Industrial Alcohol (Beh)&Othrs.	598243	BL	19704080	11,19,056	BL	3,53,83,653
Industrial Alcohol (Sam)	682721.08	PL	13807694	9,43,859	PL	1,91,25,003
Industrial Alcohol (Hisar)	888020	PL	18754988			
ENA	233200	BL	8147211	2,24,475	BL	75,46,669
CL-Bottled Stock (Sam)	56705	PL	1948586	1,46,804	PL	48,90,448
CL-Bottled at Behror	10574	Cases	2525759	26,581	Cases	59,55,982
CL-Bottled- (Hisar)	113274	PL	4295205			
IMFL-Bottled -Other Units	51729	Cases	24064426	22,047	Cases	1,12,10,378
CL Stock - Delhi Godown	61600	Cases	12381600	45,760	Cases	82,90,797
IMFL-Bottled-Behror	2165	Cases	758911	2,385	Cases	5,74,332
IMFL-Bottled-(Hisar- Delhi Godown)	146700	PL	5856264			
Total			9,96,38,269			
d) Sales						
Industrial Alcohol (Beh)	2812600	BL	100857720	1854000	BL	4,70,09,460
Industrial Alcohol (Sam)	19675984	PL	408293470	1,19,30,918	PL	26,62,98,500
Industrial Alcohol (Hisar)	5086122	PL	106663754			
ENA	36,94,386	BL	127744261	49,32,146	BL	19,61,05,078
Bottled - IMFL- ABD	784429	Cases	1289194526	817303	Cases	1,30,44,92,877
Bottled-IMFL UNITS	399977	Cases	410381816	217544	Cases	20,88,88,792
Bottled-IMFL- (Hisar)	68074	PL	3842090			
Bottled- Country Liquor(Sam)	12259575	PL	816576966	12840525	PL	75,97,16,436
Delhi-Country Liquor	1008995	Cases	199666358	1187000	Cases	20,81,52,024
C/L-Bottled Behror	2538396	Cases	694316152	2507299	Cases	66,11,15,443
C/L-Bottled- (Hisar)	11419650	PL	718091634			
Sale -Spent Grain			83923468			6,99,72,234
Organic Mannure			150422374			4,85,97,255
Steam & Energy			96311706			
Sales (others)			9490588			7,25,33,620
Total			5,21,57,76,883			3,84,28,81,719
e) Raw Material consumed						
Molasses-Samalkha		QTL		4845.6	QTL	27,13,692
Bajra/ Rice Flour- Samalkha	353687.64	QTL	352430728	362697.03	QTL	36,99,82,810
Bajra/ Rice Flour-Behror	360257.22	QTL	360643531	379178.45	QTL	39,30,70,433
Bajra/ Rice Flour-Hisar	226874	QTL	233620765			
Rectified Spirit -othr-Units		QTL		-	QTL	1,95,34,024
Rectified Spirit (Sam)	15815957	PL	322572755	68,89,491	PL	15,13,33,239
Rectified Spirit (Hisar)	3390812	PL	62186799			
Rectified Spirit (IMFL)BDA	3104386	BL	109075861	2756146	BL	10,49,87,745
Raw Material -IMFL UNITS		BL	34414880	-	BL	-
Raw Material Others			11937210			1,19,82,276
Raw Material Others- (Hisar)			14726850			
Total			1,50,16,09,379			1,05,36,04,219

Globus Spirits Limited

CASH FLOW STATEMENT AS ON 31-03-2011

PARTICULARS	Amount (in Rs.)
(A) CASH FLOW FROM OPERATING ACTIVITIES:	
Net Profit/(Loss) before Tax, Adjustment for prior period and extra ordinary activities	58,61,82,032
Adjustment for:-	
Depreciation	6,94,32,480
Interest Paid	2,83,89,419
Dividend Income	-
Loss / profit on Sale of Fixed assets	(51,687)
Other Income	(26,44,687)
Preliminary & Other Expenses w.off	17,80,946
Interest Received	(40,01,637)
Operating Profit before Working Capital Changes-	67,90,86,866
Adjustment for:-	
Inventories	(6,06,05,075)
Sundry Debtors	(14,06,60,524)
Other Current Assets	(7,76,40,387)
Current Liabilities & other payable	6,14,31,639
NET CASH FROM OPERATING ACTIVITIES (A)	<u>46,16,12,519</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES:	
Addition in Fixed Assets	(1,03,21,21,840)
Increase In Deferred Revenue Expenditure	-
Addition in Investment	(9,17,900)
Sale Proceeds of Fixed Assets	19,03,331
Misc. Income	26,44,687
Interest Received	40,01,637
Dividend Received	-
NET CASH USED IN INVESTING ACTIVITIES (B)	<u>(1,02,44,90,085)</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES:	
Interest Paid	(2,83,89,419)
Increase in Secured Loan	42,59,72,232
Increase in Unsecured Loan	(7,89,46,093)
Increase in share capital & general reserve	9,91,46,687
NET CASH USED IN FINANCING ACTIVITIES (C)	<u>41,77,83,407</u>
Net Increase/Decrease in Cash & Cash Equivalents (A+B+C)	(14,50,94,159)
Cash & Cash Equivalents at the begning of the year	20,35,19,695
Cash & Cash Equivalents at the closing of the year	5,84,25,536

Annexed to our Report of even date

For & on Behalf of the Board

For B.M. Chatrath & Co.
Chartered Accountants

Sd/-
(Umesh C. Pandey)
Partner
M.No.55252
Place : New Delhi
Date : 3rd October, 2011

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

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

AUDITORS CERTIFICATE ON CASH FLOW STATEMENT

We have examined the above cash flow statement of M/s Globus Spirits Limited which is derived from the financial statements for the year ended 31st March 2011 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
Sd/-

Place: New Delhi
Date: 03rd Oct,2011

(Umesh C. Pandey)
Partner
M No. 55252





Globus Spirits Limited

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Registration Details

Registration No. : 55-52177

State Code : 55

Balance Sheet Date : 31.03.2011

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 :	28,29,775	Total Assets :	28,29,775
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Sources of Funds

Paid-up Capital :	2,29,977	Reserves & Surplus :	18,55,477
Share Application :	NIL		
Secured Loan :	4,81,300	Unsecured Loan :	2,820
Deferred tax liability :	2,60,200		

Application of Funds

Net Fixed Assets :	23,23,715	Investment :	1,177
Net Current Assets :	5,04,883	Misc.Expenditure :	—
Accumulated Losses :	NIL		

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

Turnover (incl.other Income) :	52,74,643	Total Expenditure :	46,52,850
Profit before tax :	5,53,971	Profit after Tax :	3,99,316
Earning per Share :	17.36	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 : 3rd October, 2011

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

Sd/-
(Santosh K. Pattanayak)
Company Secretary

NOTICE

NOTICE is hereby given that the **Eighteenth Annual General Meeting** of the Members of the Company will be held on Monday, 31st October 2011 at 11.30A.M. at Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-110003, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011, the Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors & other reports thereon.
2. To declare dividend on Equity Shares of the company
3. To appoint a Director in place of Mr. Rameshwar Dayal Aggarwal, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Dr. Bhaskar Roy, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint auditors of the company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s B. M. Chatrath & Co., Chartered Accountants, retiring Auditors, are eligible for re-appointment.

Special Business :

6. To increase the authorized capital 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 section 94(1)(a) of the Companies Act, 1956 and other applicable provisions, if any, the authorized share capital of the company be and is hereby increased from Rs.25,00,00,000/- (Rupees Twenty-five Crores) divided into 2,50,00,000 (Two crore fifty lakhs) equity shares of Rs.10/- each to Rs.35,00,00,000/- (Rupees Thirty-five Crores) divided into 3,50,00,000 (Three crore fifty lakhs) equity shares of Rs.10/- each ranking pari passu with the existing shares in the company.

RESOLVED FURTHER that the existing Clause V of the Memorandum of Association of the Company as to share capital be and is hereby deleted and in its place the following Clause V be substituted:

“The Authorised Share Capital of the Company is Rs.35,00,00,000/- (Rupees Thirty-five Crores) divided into 3,50,00,000 (Three crore fifty lakhs) equity shares of Rs.10/- (Rupees Ten) each.”

7. To consider, and, if thought fit, to pass with or without modification the following resolution as Ordinary Resolution :
“**RESOLVED that** the Board of Directors of the Company be and is hereby authorized under section 293(1)(d) of the Companies Act, 1956 to borrow money from time to time up to a limit not exceeding in the aggregate of Rs.200crores (Rupees Two Hundred crores only) notwithstanding that money to be borrowed, together with the money already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business), may or may not exceed the aggregate of the paid-up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purposes.”

8. Increase in the remuneration of Sh. Manik Lal Dutta, 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** pursuant to the provisions of sections 198, 269, 309, 310, 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. Manik Lal Dutta, who was appointed as Executive Director of the company for a period of three years w.e.f. 1st August 2006 & again was re-appointed for a further period of three years w.e.f. 1st August 2009. His present monthly remuneration is as under :

Basic Salary : Rs.63,134/- per month with suitable increases as determined by the Board.

HRA : Rs.31,566/- per month with suitable increases as determined by the Board.

Transport Allowance: Rs.800/- per month with suitable increases as determined by the Board.

Medical Allowance: Rs.15,000/- per annum with suitable increases as determined by the Board.

LTA : Rs.15,000/- per annum with suitable increases as determined by the Board.

Perquisites :

In addition to the above 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.10 lakhs.
- (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 the above resolution.”

9. Increase in the remuneration of Sh. Rajesh Kumar Malik, Whole-time Director of the company.

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



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. Rajesh Kumar Malik, who was appointed as Whole-time Director of the company w.e.f. 1st December 2006. His present monthly remuneration is as under :

Basic Salary : Rs.32,000/- per month with suitable increases as determined by the Board.

HRA : Rs.12,800/- per month with suitable increases as determined by the Board.

Special Allowance: Rs.19,126/- per month with suitable increases as determined by the Board.

Conveyance Allowance: Rs.5,000/- per month with suitable increases as determined by the Board.

Perquisites :

In addition to the above Sh. Rajesh Kumar Malik 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.10 lakhs.
- (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 the above resolution."

10. Increase in the remuneration of Sh. Rameshwar Dayal Aggarwal, Whole-time 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, 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. Rameshwar Dayal Aggarwal, who was appointed as Whole-time Director of the company w.e.f. 1st December 2006. His present monthly remuneration is as under :

Basic Salary: Rs.29,524/- per month with suitable increases as determined by the Board.

HRA : Rs.18,150/- per month with suitable increases as determined by the Board.

Conveyance: Rs.3,630/- per month with suitable increases as determined by the Board.

Perquisites :

In addition to the above Sh. Rameshwar Dayal Aggarwal 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.10 lakhs.
- (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 the above resolution."

11. Appointment of & Payment of Remuneration to Mr. Shekhar Swarup, as Vice President-IMFL of the company.

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

"RESOLVED THAT pursuant to the provisions of section 314 (1) (b) 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 for the appointment of Sh. Shekhar Swarup, as Vice-President (IMFL) of the company at a monthly remuneration as under :

Basic Salary: Rs.30,000/- per month with suitable increases as determined by the Board.

HRA : Rs.10,000/- per month with suitable increases as determined by the Board.

Conveyance Allowance : Rs.10,000/- per month with suitable increases as determined by the Board.

Car Maintenance Allowance : Rs.5,250/- per month with suitable increases as determined by the Board.

Perquisites :

In addition to the above Sh. Shekhar 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) **Gratuity** not exceeding half month's salary for each completed year of service subject to a ceiling of Rs.10 lakhs.
- (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.

"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 the above resolution."

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

Place:New Delhi
Date:03/10/2011

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. FORM OF PROXY IS SEPARATELY ANNEXED.**
- 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.
- Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business is annexed hereto.
- Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
- Members are requested to notify immediately any change in their address to the Registrar & Transfer Agent quoting their Folio Number to the following address:
Link Intime India Pvt. Ltd.
A-40, 2nd Floor, Naraina Industrial Area, Phase-II
Near Batra Banquet Hall, New Delhi-110028
- Members who have multiple ledger folios in identical names or joint names in same order are requested to intimate/send the concerned share certificates quoting their ledger folios of such accounts to enable the Registrar & Transfer Agent to consolidate all such shareholdings into one folio.
- The Register of Members and Share Transfer Books of the Company will remain closed from 25th October 2011 to 31st October 2011 (both the dates inclusive).
- Members intending to seek any information on the Annual Accounts at the meeting are requested to inform the Company in writing at least one week prior to the date of the meeting.

Details of the Directors seeking appointment/reappointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement):

Name	Dr. Bhaskar Roy	Sh. Rameshwar Dayal Aggarwal
Age	48 Years	56 Years
Qualifications	M.Com, FCA, PHD	M.Sc (Organic Chemistry), Graduate in Alcohol Technology from National Sugar Institute, Kanpur
Expertise in specific functional area	He has vast experience in Strategic Financial Planning & controlling, Fund Management, Accounts, Auditing, Budgeting and MIS etc.	He is conversant with process of fermentation, distillation, blending, etc.
Date of appointment as Director of the Company	22.10.2009	01.12.2006
Directorship of other companies #	NIL	NIL
Chairman/Member of Committees of other Companies+	NIL	NIL
No. of shares held*	100	NIL
Inter-se relationship with other Directors	NIL	NIL

Note: +. Only Audit Committee and Shareholders' Grievance Committee are considered for the purpose of Committee position as per Listing Agreement.

#. Private Limited Companies, Foreign Companies and companies under Section 25 of the companies Act, 1956 are excluded for the above purposes.

*. Shares held by Directors are considered as on 31/03/2011.



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

ITEM No. 6

In order to enhance the capital structure of the company your Board of Directors proposes to increase the authorized share capital of the company from Rs.25,00,00,000/- to Rs.35,00,00,000/-. And the same can be done with the prior consent of the members of the company by passing an ordinary resolution in their General Meeting.

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

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

ITEM No. 7

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

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

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

ITEM No. 8

Your Board of Directors proposes to increase the remuneration of Sh. Manik Lal Dutta, the Executive Director of the company. As per provisions of Section 198, 269, 309, 310, 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. Manik Lal Dutta as Executive 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. Manik Lal Dutta has any interest in the proposed resolution.

ITEM No. 9

Your Board of Directors proposes to increase the remuneration of Sh. Rajesh Kumar Malik, the Whole-time Director of the company. As per provisions of Section 198, 269, 309, 310, 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. Rajesh Kumar Malik as Whole-time 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. Rajesh Kumar Malik has any interest in the proposed resolution.

ITEM No. 10

Your Board of Directors proposes to increase the remuneration of Sh. Rameshwar Dayal Aggarwal, the Whole-time Director of the company. As per provisions of Section 198, 269, 309, 310, 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. Rameshwar Dayal Aggarwal as Whole-time 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. Rameshwar Dayal Aggarwal has any interest in the proposed resolution.

ITEM No. 11

Your Board of Directors seeks your consent for the appointment of and payment of remuneration to Sh. Shekhar Swarup, as Vice-President (IMFL) of the company. As per provisions of Section 314 (1) (b) and all other applicable provisions of the Companies Act, 1956, and pursuant to the provisions of Article of Association of the company, payment of remuneration to Sh. Shekhar Swarup as Vice-President (IMFL) of the company requires confirmation of Share Holders of the company by passing Special 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, the Managing Director of the Company has any interest in the proposed resolution.

Place: New Delhi
Date: 03/10/2011

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

Dear Shareholder,

Sub: Green Initiative in the Corporate Governance

Ministry of Corporate Affairs ("MCA") has launched a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies. MCA has issued circular nos. 17/2011 dt. 21-04-2011 & 18/2011 dt. 29-04-2011 stating that the service of a notice / document by a company to its shareholders can now be made through electronic mode.

In view of the above, Company proposes to henceforth send Annual Report (Audited Financial Statements, Directors' Report, Auditors' Report, etc.,) and documents such as the Notice of the Annual General Meeting, to the shareholders in Electronic Form to the email address registered with their Depository Participants.

In case you desire to receive the documents mentioned above in electronic form and

- a) **Share(s) is/are held in DEMAT form** - You are requested to register or update your existing registered E-mail ID with your Depository Participant on or before 31/10/2011.
- b) **Share(s) is/are held in physical form** - You are requested to send an email to santoshp@globusgroup.in giving details like Name and Folio No. on or before 31/10.2011.

Please note that as a member of the Company you are always entitled to request and receive, free of cost, all the aforesaid documents in physical form.

We at 'Globus' appreciate the "Green Initiative" taken by MCA and trust you would help implementing the e-governance initiatives of the Government.

Thanking you,
Yours faithfully,
For Globus Spirits Limited
Sd/-
Company secretary



GLOBUS SPIRITS LIMITED

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

PROXY FORM

Folio No.
DP ID*
CLIENT ID*
No. of Shares

I/We of being a member/members of Globus Spirits Limited do hereby appoint of or failing him/her of as my/our proxy to attend and vote for me/us on my/our behalf at the 18th Annual General Meeting of the Company to be held on Monday, the 31st October, 2011 at 11.30 A..M. at Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-110003 and at any adjournment thereof.

Revenue
Stamp

Date.....

Signature(s).....

Note: This Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time for commencement of the Meeting.

* Applicable for investors holding shares in demat form.

-----Tear Here-----

GLOBUS SPIRITS LIMITED

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

ATTENDANCE SLIP

Folio No.
DP ID*
CLIENT ID*

I hereby record my presence at the 18th Annual General Meeting of the Company held on Monday, the 31st October, 2011 at 11.30 A.M. at Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-110003.

Name of Attending Member.....
(In Block Letters)

Name of Proxy (In Block Letters).....
To be filled in, if proxy attend instead of the member)
(In Block Letters)

No. of Shares held.....

.....
Member's/Proxy's Signature

Note: This attendance slip duly filled in should be handed over at the entrance of the meeting hall.
Applicable for investors holding shares in demat form.

BOOK POST



If undelivered, please return to :
Globus Spirits Limited
A-46, Friends Colony (East),
New Delhi - 110065