



Globus Spirits

ENabling Excellence

Globus Spirits Limited
2012-13 Annual Report



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Corporate Information

CHAIRMAN

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

MANAGING DIRECTOR

Mr. Ajay K. Swarup

EXECUTIVE DIRECTORS

Mr. Shekhar Swarup
Mr. Manik Lal Dutta
Dr. Bhaskar Roy (Executive Director & CFO)

WHOLETIME DIRECTORS & OCCUPIER

Mr. Rajesh Kumar Malik
Mr. Rameshwar Dayal Aggarwal

NON-EXECUTIVE & INDEPENDENT DIRECTORS

Mr. Joginder Singh Dhamija
Mr. Santosh Kumar Bishwal
Mr. Rajesh Sehgal
Mr. Vivek Gupta
Mr. Kunal Agarwal

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.
The Hongkong and Shanghai Banking Corporation Limited

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
44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I,
Near PVR Naraina, New Delhi-110028

Stock Exchanges where the Company is listed:

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

Website:

www.globusspirits.com







ENAbling Excellence

Through our commitment to performance we have been

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

ENAbling Marketing excellence by pioneering branding at the bottom of the pyramid ‘IMIL’ market as well as creating successful ‘IMFL’ brands

ENAbling PAN India IMIL leadership by expanding footprint to newer geographies through own facilities and alliances

ENAbling Organizational excellence through our unique 360° business model, allowing higher capacity utilization and returns that are amongst the highest in the industry

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

ENAbling Product Excellence

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

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





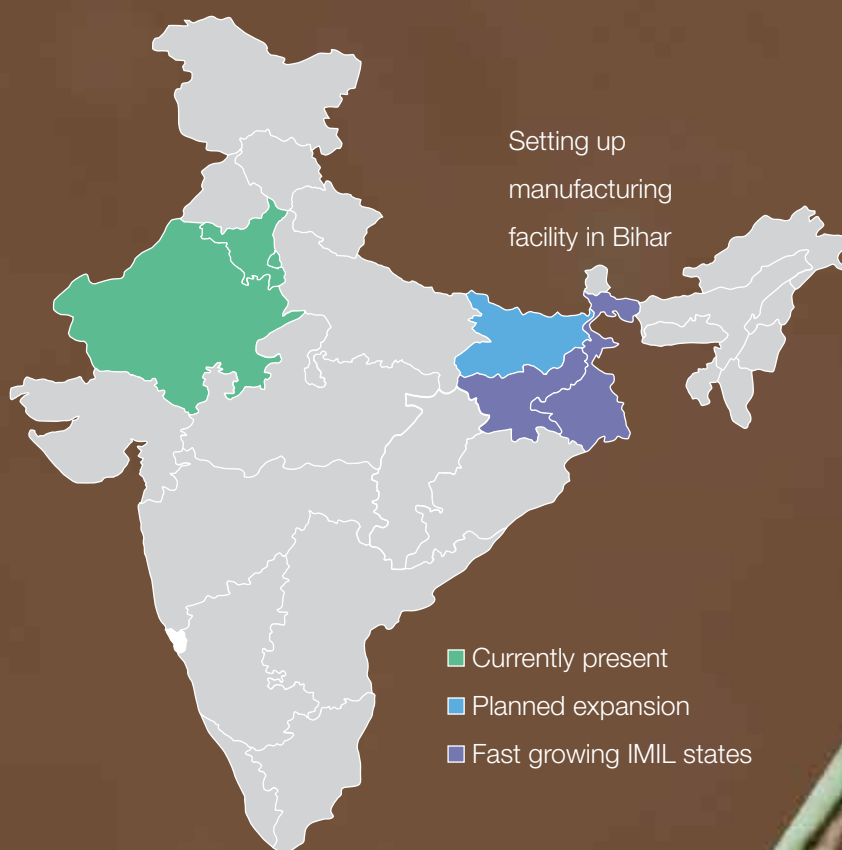
ENAbiling Marketing Excellence

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

It is the same high quality which enabled us to launch 3 sustainable brands in the IMFL space; brands which are now beginning to carve a space in the Indian market & overseas.

ENAbling pan-India IMIL leadership

We envisage ourselves as becoming pan-India IMIL leaders, making the most of opportunities emerging in new markets. Our upcoming distillery project in the fast-growing Bihar market and a tie-up in the largest IMIL market, Maharashtra, are steps towards the same.





ENAbling Organizational Excellence

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

RIGHT STRATEGY

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

RIGHT PARTNERS

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

RIGHT VALUES

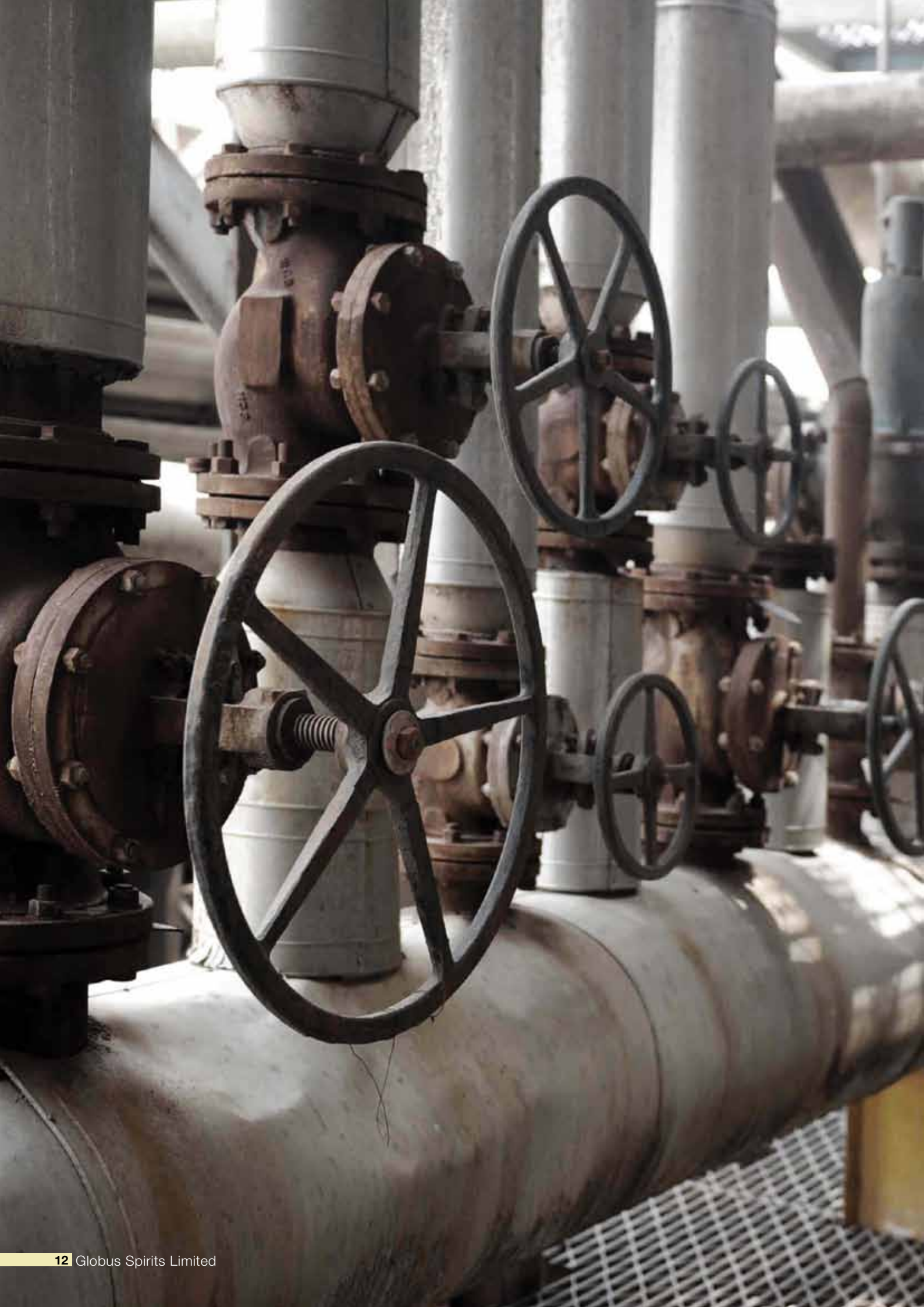
We operate on high standards of governance, fair and transparent in all our dealings whether internally or

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

RIGHT TEAM

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







ENAbiling Manufacturing Excellence

Our manufacturing facilities are ENAbiling excellence by maximising yields from raw material. Our fully commissioned projects allow us to maximise alcohol yield while maximising production of by-products leading to complete utilisation of the raw material.

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

ENAbled excellence in our manufacturing facilities helped us achieve:

- 62 million litres of production with zero discharge
- End to end production of over 11mn cases of bottled beverages
- ~85% utilization in new plants, (~80% used in-house) for value added products
- 5 years of relationship with India's top 3 alcoholic beverage companies

360° EXPANSION IN FY13

01

STRENGTHENING OF OUR BRANDS

Hannibal Rum brand approved for CSD, sales to commence in FY 2014

IMIL brand Nimboo launched in Rajasthan in 2012

Nimboo is market leader in Haryana clear spirits with 60% share

White Lace becomes 3rd largest selling gin in its category in Rajasthan

02

MAINTAINED IMIL MARKET LEADERSHIP

Total sales of 10Mn+ cases in Haryana, Rajasthan and Delhi

03

STRONG GROWTH IN IMFL FRANCHISEE - 52% YOY INCREASE IN VOLUMES TO REACH 1.9MN CASES

New contract executed with United Spirits

Revival of contract with Jagatjit Industries

ABD contract remains strong with manufacturing at two locations



04

BROWNFIELD EXPANSION OF STATE-OF-THE-ART MANUFACTURING PLANTS

Expanded capacities by 42.2 million litres at Behror (Rajasthan) and Samalkha (Haryana)

High utilization in new plants due to 360° approach

Total operating capacity of ~90mn bulk litres of alcohol

05

EXPANDING IMIL FOOTPRINT

Established bottling partnership in Maharashtra to tap one of the largest IMIL markets in India

Firmed up plans to enter attractive Bihar IMIL market by replicating the 360° model in Bihar

Commenced work on Bihar greenfield project

06

FINANCIAL HIGHLIGHTS

Resilient performance ensuring quick ramp up of new capacities to drive revenues to ₹5,285mn

EBITDA of ₹740.9mn and PAT of ₹341.9mn

Successful equity fund-raising of ₹812mn from Templeton Strategic Emerging Markets Fund and promoters for Bihar expansion



Chairman's Message

At Globus Spirits, we are constantly focussed on raising the bar to ENAble Excellence.

Dear Shareholders,

At Globus Spirits, we are constantly focussed on raising the bar to ENAble Excellence. We embarked on this path two decades ago when we set-up one of the first grain based distilleries in India. Two years ago, we took another major step when we pioneered branding in the bottom of the pyramid IMIL market combined with the use of highest grade ENA in our 'Country Liquor'. Our focus on building state-of-the-art manufacturing facilities has ensured strong growth in both our consumer and manufacturing business, testimony to our 360° business model.

It is a pleasure to report achievements in both our consumer and manufacturing businesses in FY 12-13.

Foremost, the year saw the successful commissioning of our new ENA capacity of 42.2mn bulk litres (BL), which is already running at a high 85% utilization. Not only has this helped us to end the year on positive growth but has created a strong base to propel future growth.

Manufacturing is our core strength that serves as the foundation for our consumer business. We are pleased to share that most of our operating capacity is now ENA based giving us a higher premium with our customers.

Our 360° approach has ENAble optimal costs for consumer businesses at one end and high utilization of our capacities at the other end. It is a constant endeavour to maximise allocation of ENA to higher value added products before selling surplus as a commodity. In last five years, an average 81% of capacity has been utilised for in-house consumption for higher-value add segments.

Today, we operate one of the largest and the most efficient grain distillery operations in India with the highest recovery rates. We have bottling relationships with India's top IMFL companies which we continuously endeavour to strengthen.

Our flagship IMIL brand, Nimboo, is pushing growth in Rajasthan and Haryana. The brand now commands a sale of ~₹4.4 bn at the retail level. Our other IMIL brands – Narangi, Ghoomar, Heer-Ranjha - have also witnessed more ‘pull’ at the retail level. The growing strength of our IMIL brands is visible in retained market leadership even with reduced trade schemes.

Our young IMFL portfolio of 3 mainstream brands is now achieving traction with rum brand ‘Hannibal’ already receiving CSD approval, ‘White Lace’ establishing itself as a leading gin brand in our key market of Rajasthan and our high quality whisky brand ‘Country Club’ making steady inroads in the market.

Our ability to produce IMFL at par with global quality and tastes has spurred the decision to focus more on higher-value added segments. Accordingly, we have rationalised our earlier portfolio, moving away from economy level brands. Our three core brands have been identified on the basis of their differentiated value offering, positioning and market potential. This has led to sharp increase in our average revenue per case.

We enter current financial year with renewed optimism. Our consumer businesses will witness growth revival driven by new launches and initiatives to increase our market share in dark-spirits market in Haryana. We will get full benefit of our new ENA capacities to boost our consumer business.

In FY13, we defined our future growth strategy, with entry into key Maharashtra IMIL market and proposed expansion into fast-growing Bihar market. With this, we are all set to expand our IMIL footprint in next few years as our tie-up in Maharashtra gains traction and Bihar project commences operations in FY16. Both markets are attractive propositions. Maharashtra is the largest IMIL consuming state in India with

a consumption of about 35 million cases per annum, while Bihar is the fastest growing with 2-year CAGR of 21%.

We welcome marquee international investor Templeton Strategic Emerging Markets as a partner in our growth. The funds raised via equity issuance to Templeton will help drive our expansion in East India. Work on our Bihar project is already on, we expect to commission by FY16.

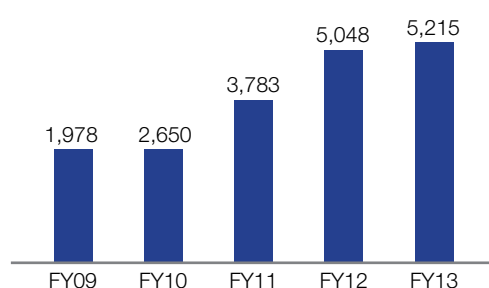
I take this opportunity to thank all our stakeholders, for their continuous support and belief in our company. And we look forward to a great year ahead.



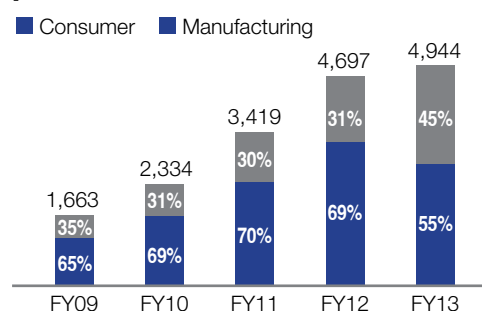
Gautam Premnath Khandelwal
Chairman

Historical Financials

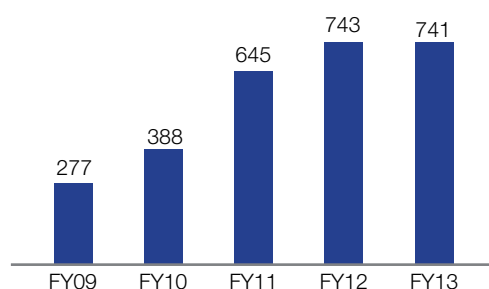
Net Revenues (₹ Million)



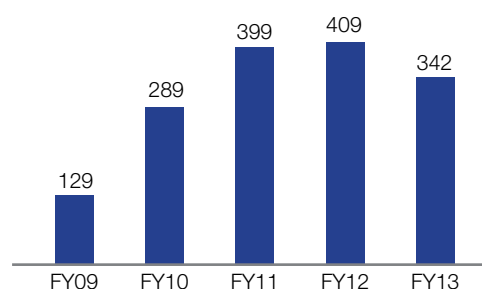
Share of Consumer in proforma revenues*



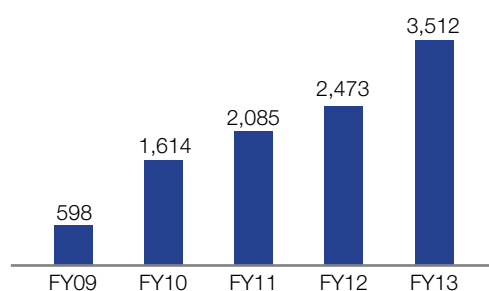
EBITDA (₹ Million)



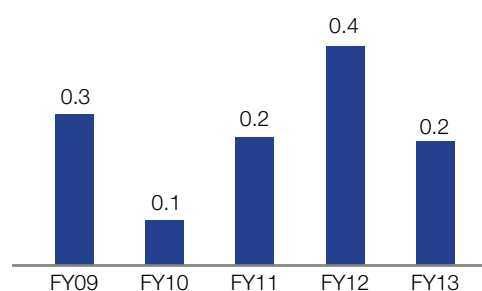
Profit after tax (₹ Million)



Networth (₹ Million)



Debt/Equity Ratio (x)



*The difference between reported revenues and proforma revenues is sale value of IMFL cases bottled by GSL in Rajasthan for third parties. The regulatory regime in Rajasthan necessitates companies to account for sale value of third party bottling in own revenues. The entire amount is also reported in costs, neutralizing the impact at an EBITDA level. Hence, proforma revenues eliminate these revenues to provide a better picture of company's operations.

Directors' Report

To the Members

Your Directors are pleased to present the Twentieth Annual Report and Audited Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

(₹ In Lacs)		
Particulars	Current Year 2012-2013	Previous Year 2011-2012
Gross Sales	66,383.22	66,329.91*
Profit/(loss) before Depreciation	6,882.28	7,014.50
Less: Depreciation	1,648.94	1,229.65
Profit/(Loss) after Depreciation	5,233.34	5,784.85
Profit /(Loss) before tax after extraordinary items	5,220.17	5,775.14
Less: Provision for taxation	1,047.55	1,200.00
Deferred tax	754.08	485.90
Profit/ (Loss) after tax	3,418.53	4,089.24
Balance brought forward	13,457.55	9,794.08
Profit available for appropriation	16,876.08	13,883.31
Appropriations		
- Transfer to General Reserve	105.00	105.00
- Accrued Preference Dividend on CCCPS but not Due	11.01	-
- Tax on Preference Dividend	1.79	-
- Proposed Dividend	275.97	275.97
- Provision for Tax on Dividend	44.79	44.79
Balance Carried forward to Balance Sheet	16,437.52	13,457.55

*Please see Note No. 34 of the Balance Sheet.

PERFORMANCE REVIEW

During the year under review your Company reported a marginal increase in Gross turnover by 0.08% from ₹663.30 Crores (Previous year) to ₹663.83 Crores (Current year) and a decline in PBT by ₹5.52 Crores from the previous year and a decline in PAT by ₹6.71 Crores from the previous year. The Basic EPS of the company is ₹14.81/- as compared to ₹17.78/- and the diluted EPS of the company is ₹14.73/- as compared to ₹17.78/- in the previous year.

THE YEAR IN PERSPECTIVE

During the year, your Company strengthened its presence in both the consumer and the manufacturing businesses in line with its vision of being a 360° player. Your Company extended the presence of its flagship brand 'Nimboo' to Rajasthan, where it has shown a favorable response. Your Company entered Maharashtra, the largest IMIL market in the country, through a bottling tie-up with a local bottling partner. Over the next few years, your Company is hopeful of garnering a sizeable market

share in the state through launch of a differentiated brand portfolio. In IMFL, your Company made a major breakthrough by securing CSD approval for its rum brand 'Hannibal Legendary'.

Your Company expanded capacities by 42.2 million liters at its current locations, Samalkha (Haryana) and Behror (Rajasthan). These new capacities were soon operating at 80-85% capacity utilization rate. This expansion will provide strong support to fuel growth in the branded and franchise business in coming years and will shield these businesses from price increases in Extra Neutral Alcohol. The franchisee business showed good traction with ~52% volume growth following new IMFL franchisee contract from United Spirits and revival of contract with Jagatjit Industries.

In a key development, your Company secured funding of ₹81.20 Crore from marquee investor, Templeton Strategic Emerging Markets Fund, and the promoters, paving way for expansion into Eastern India. The East India market offers immense opportunities for growth across all verticals in the alcohol value chain and your Company is well positioned to leverage these with its 360° business model.

MATERIAL CHANGES AFTER MARCH 31, 2013

During the current year, commencing April 1, 2013, your Company has launched a new brand "Goldee" in the colored spirits segment (IMIL division) in Haryana. This is in line with your Company's long-term strategy of building a differentiated brand portfolio in IMIL. "Goldee" was launched after extensive research. Several blends were developed ranging from herb to fruit based drinks. Along with the blend, several marketing platforms were also developed and tested. The brand stands for strength and purity of character that gold epitomises.

DIVIDEND

Your Directors are pleased to recommend dividend of ₹1.20/- i.e. 12 % per equity share of ₹ 10/- each of the Company for the year 2012-13.

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 during the year under Report.

DIRECTORS

During the year Mr. Rajesh Sehgal, nominated pursuant to the Share Subscription and Shareholders Agreement entered between the Promoters of the company, as defined therein, and the Company and M/s Templeton Strategic Emerging Markets Fund IV, LDC, (Templeton) by Templeton, was appointed as additional director and was designated as Non-Executive & Independent Director of the Company. Mr. Rajesh Sehgal is proposed to be regularized in the forthcoming Annual General Meeting of the Company. In terms of Article 113B of Articles of Association of the Company Mr. Rajesh Sehgal shall not be

subject to retire by rotation and his continuance on the Board shall be in accordance with terms set out in the aforesaid agreement.

Mr. Gautam Premnath Khandelwal, Non-Executive & Independent Director, Mr. Rajesh Kumar Malik and Rameshwar Dayal Aggrawal, Whole Time Directors of the Company, retire by rotation and being eligible offer themselves for re-appointment. The Board recommends their re-appointment.

INFUSION OF FUNDS BY ISSUE OF 50,38,168 4.75% CUMULATIVE COMPULSORILY CONVERTIBLE PREFERENCE SHARES OF F.V. OF 140/- ECAH.

During the year Templeton Strategic Emerging Markets Fund IV, LDC of Cayman Islands has invested ₹705,343,520/- in the Company by subscribing 50,38,168 4.75% Cumulative Compulsorily Convertible Preference Shares of face value of ₹140/- each at par, each convertible into one equity shares of ₹10/- each within a period of 18 months from the date of allotment thereof i.e. 19th March, 2013.

ISSUE OF WARRANTS

During the year Company has also issued and allotted 7,63,359 warrants at a price of ₹140/- each to M/s Chandbagh Investments Limited, a promoter, augmented thereby ₹106,870,260/- entitling the holder of each Warrant, from time to time, to apply for and obtain allotment of one equity share of the face value of ₹10/- each against each such Warrant within a period of 18 months from the date of allotment i.e. 19th March, 2013.

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 appointed as Auditors of the Company at the last Annual General Meeting has opted not to be re-appointed as auditors of the Company in the forthcoming

Annual General Meeting and has given their unwillingness certificate to that effect. The Company approached M/s Delloite Haskins & Shell, Chartered Accountants, having their office at 7th Floor, Building 10, DLF Cyber City Complex, DLF City Phase-II, Gurgaon-122002, Haryana seeking their willingness to act as Auditor of the Company from the conclusion of the forthcoming Annual General Meeting until the conclusion of next Annual General Meeting which M/s Delloite Haskins & Shell, Chartered Accountants have accepted and have furnished a certificate to the effect, that their 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.

COST AUDIT

The Company appointed M/s Niraj Kumar Vishwakarma & Associates, Cost Accountants, having Firm's registration no. 101683, its branch office at N-60, 4TH Floor, Narain Nagar, Lalita Park, Delhi-110092, for auditing Cost Accounting Records maintained by the Company for the financial year 2012-13 and to submit their report thereon with the Central Government. The Cost Audit Report is required to be filed by the Cost Auditor within 180 days from the end of financial year i.e. on or before 30th September, 2013 for F.Y. ended on 31st March, 2013.

The Cost Audit Report for Financial Year 2011-12 was filed with Central Government on 01/03/2013, and for financial year 2012-13 the same shall be filed on or before the due date mentioned above.

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	Remuneration received (₹)	Qualification	Experience In years	Date of commencement of employment	Particulars of last employment
1	Sh. Ajay K. Swarup	54 Years	Managing Director	62,70,000/-	PGDBM (IIM, Kolkata)	29	December 01, 2006	M/s SVP Industries Ltd.

Notes:

1. Sh. Ajay K. Swarup holds more than 2% equity shares of the Company.
2. Sh. Ajay K. Swarup has adequate experience to discharge the responsibilities assigned to them and his designation is indicative of nature of his duties.
3. Sh. Ajay K. Swarup has been re-appointed as Managing Director of the Company w.e.f. 01.12.2011.

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 relations 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 & forms part of the Annual Report.

DIRECTORS RESPONSIBILITY STATEMENT \

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed

1. That in preparation of the Annual Accounts for the financial year 2012-13, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any.
2. That the Directors have selected such accounting policies and applied them constantly and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company as at 31st March, 2013 and of the Profit or loss of the Company for that period.

3. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the directors had prepared the Annual Accounts for the financial year 2012-13 on a 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/-	Sd/-
(Dr. Bhaskar Roy)	(Ajay K. Swarup)
Executive Director	Managing Director
& CFO	

Place: New Delhi
Date: 10/08/2013

Annexure I

to the Directors' Report 2012-13

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:

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

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

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

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

- As mentioned in point (a)

(B) TECHNOLOGY ABSORPTION

FORM - B

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

- (i) The Company's plants are based on indigenous technology which has been fully absorbed.
- (ii) The Company does not have separate Research & Development Section. However, steps are being taken continuously for:
 - a Improvement in product quality
 - b Improvement in productivity
 - c Improvement in cost effectiveness

(III) EXPENDITURE OF R & DNIL

(C) FOREIGN EXCHANGE EARNINGS & OUTGO

	(₹ In Lacs)	
	2012-2013	2011-2012
Foreign Exchange earnings	151.38	520.08
Foreign Exchange used	NIL	NIL

For and on behalf of the Board of Directors

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

Place: New Delhi

Date: 10/08/2013

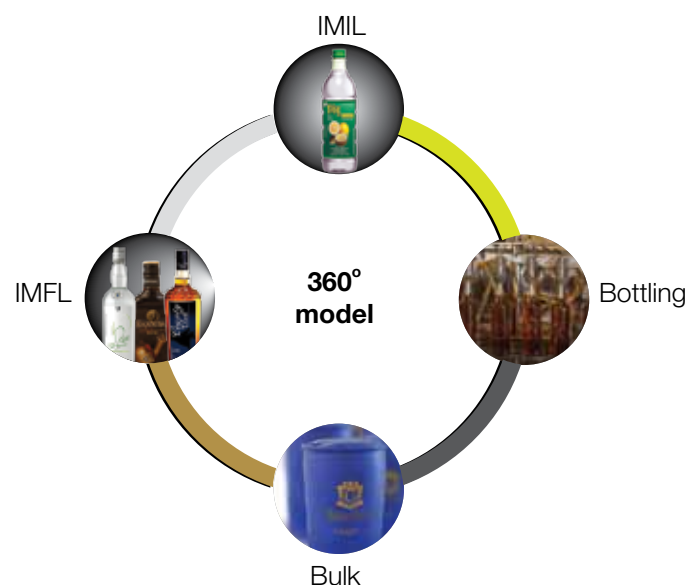


Management Discussion & Analysis

COMPANY OVERVIEW

Globus Spirits Limited is a leading spirits company in India with a portfolio of 5 IMIL brands, 3 IMFL brands, bottling operations for India's top 3 IMFL companies and predominantly ENA-based bulk operating capacity of 90mn bulk Litres p.a.

Your company has evolved from a market-driven liquor manufacturer and seller to a market-defining consumer-focussed spirits company based on unique 360° model high-quality Extra Neutral Alcohol as its starting point.



The company's revenue mix is dominated by consumer businesses, with an average share of 65% (in proforma revenues) in last five years.

All four segments run in symbiotic relationship generating high and assured utilizations in manufacturing (~85% in new plants) on one hand, and quality and cost synergies for the branded products on the other. This enables your Company to operate at one of the highest return ratios in the industry (FY 13 ROCE of 18%), while insulating against price risks in any one segment.

Your company operates from three manufacturing locations: Samalkha and Hissar in Haryana and Behror in Rajasthan. The state-of-the-art plants are capable of distilling alcohol from multiple feed stocks including rice, barley, jowar or even molasses, thereby providing a hedge against cost pressures.

In order to support its growth objectives of becoming a pan-India player, your Company raised ₹812 million from Templeton Strategic Emerging Markets Fund and the promoters.

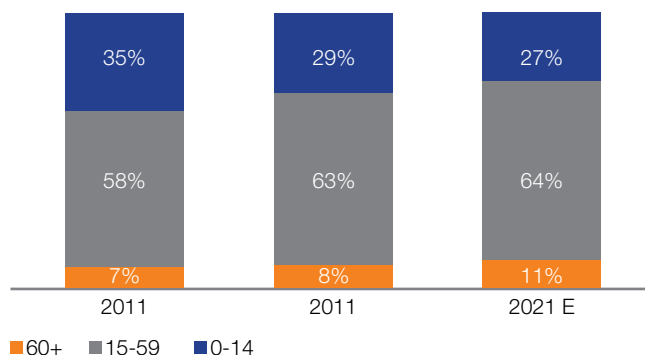
INDIAN SPIRITS INDUSTRY

The Indian spirits industry (comprising of IMIL and IMFL) is the 2nd largest in the world by volumes, estimated at over 550mn cases. By value, it is the 3rd largest with estimated revenues of over \$23bn.

The recorded adult per-capita consumption of alcohol has grown at a robust 14% CAGR over 2004-2009 to reach 1.0 bulk litres (Source: WHO)

The high growth is driven by multitude of demographic and socio-economic factors like sizable drinking age population, rising per-capita income, increased accessibility with retail modernization, increasing societal acceptance, rising female drinkers and new product offerings.

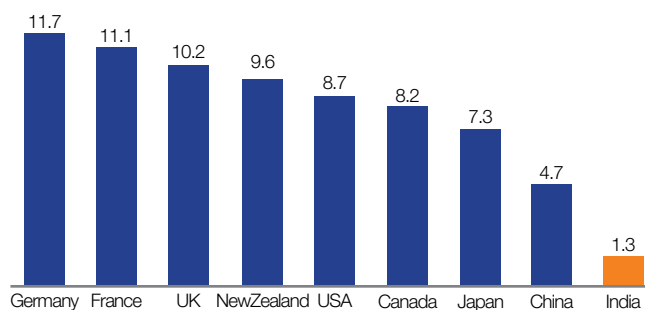
Increasing drinking age population



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

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

Per Capita alcohol consumption in Bulk litre



Source: WHO; Estimate for India

INDUSTRY SEGMENTS

The Distilled Spirits industry consists of two distinctive segments:

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

These segments are differentiated on the basis of target audience, product characteristics and distribution network. Some of these differentiations are created by legislation. On the basis of reported volumes, the segments are estimated to have ~1:1 share of the 550mn cases industry. Both segments are growing in sync with their consuming sections.



Table1: Differences between IMIL and IMFL

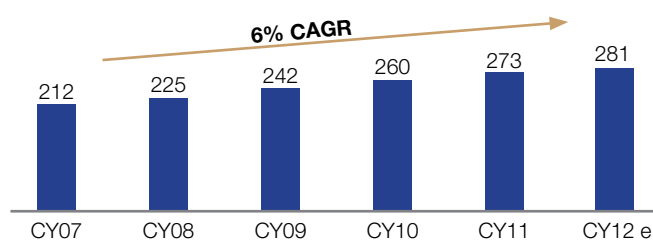
	IMIL	IMFL
Likely Consumer Segment differs in size and status	Socio-economic D, comprising ~40% of population excluding below poverty line population	More affluent, socioeconomic sections C and upwards
Growth is more in sync with population growth	~11% CAGR** for households with Household premiumness index (HPI) * between 6-10 (~SEC D)	Higher growth in IMIL with increasing affluence in India: e.g. ~14%+ CAGR for households with HPI >10 (SEC C+)
Taste Preference	Local fruit flavor dominated market, varies with states	North India - Whisky, East India - Rum, South India - Brandy & Rum
Point of Purchase	State Government Regulated vendors; BANNED in Southern India, apart from dry states	Standalone retail outlets, department stores and Government owned shops in some states like Delhi
Excise Control	Highly regulated; Distillery must for selling in the state of sale; Excise of Rs15 per Proof Litre	Less restricted than IMIL, but higher excise duties of minimum of Rs40 per Proof Litre
Alcohol Content	~30% on average Usually made from Rectified Spirits in most of the states	42.8% IMFL is made from ENA (higher purity 96%)
Min Retail Price	₹30 per nip (smallest size)	Starts from ₹45 per nip (cheap brands)
Brand Loyalty	Low with high distributor power and price sensitive consumer	High with multiplicity of purchase options and more affluent consumer

IMIL Segment

The IMIL segment has witnessed healthy traction in volumes with 6% CAGR over 2007-2012e to reach ~280mn cases. This segment has high degree of under-reporting; hence the actual market could be much higher. The segment is evolving from a restricted quota-based, commoditized market to a consumer driven branded industry. The main attractiveness of this market lies in its sizable base, comprising SEC-D and below which could translate into ~40% of total population (excluding below poverty line).

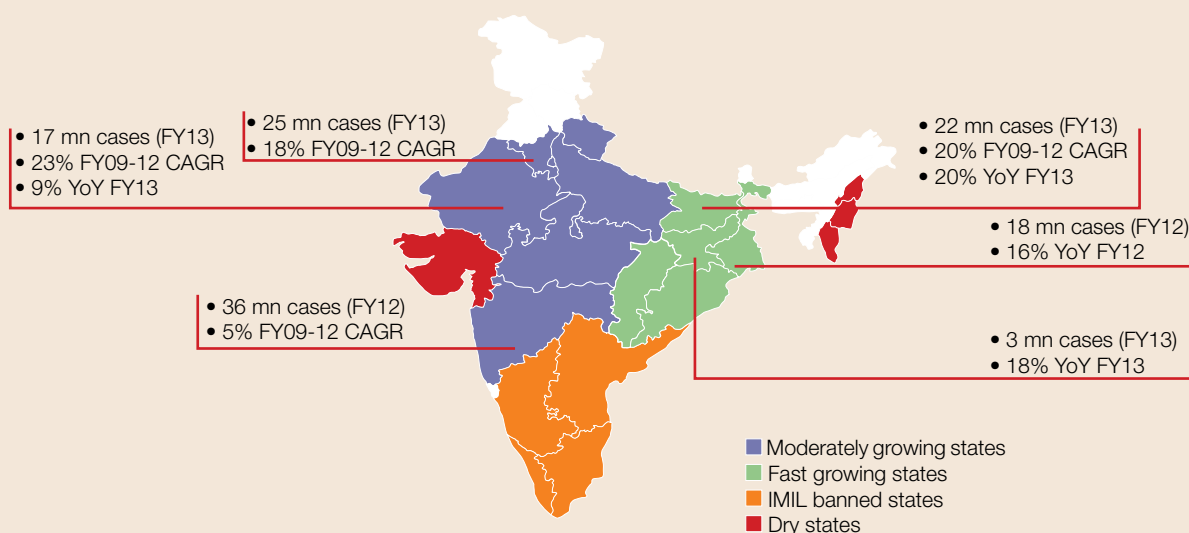
The regulated nature of the market makes it highly fragmented.

IMIL Industry (Mn cases)



Source: Industry report, estimates

IMIL consumption in key states has grown at a higher CAGR of 11% over FY09-12.



Source: state excise department as per data available

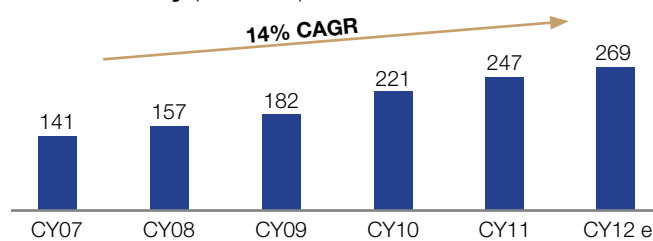
The growth in this segment is expected to be driven by rising rural incomes, consumption, conversion from illicit to IMIL with increasing awareness about health and quality, conducive regulatory policies and aided by growth in population.

Rural consumption has outpaced urban consumption in the two years up to 2011-12, the first time in nearly 25 years fuelled by a strong increase in incomes, led by rising non-farm employment opportunities and the government's focus on rural employment generation schemes (Crisil Research).

IMFL Segment

The branded IMFL segment is a faster growing segment with 14% CAGR over 2007-2012. The Market is dominated by strong national brands at low price points.

IMFL Industry (Mn cases)



Source: Industry report, estimates

The ~270mn cases market is undergoing a transformation with newer entrants, challenging the traditional labels and more so in the higher price points.

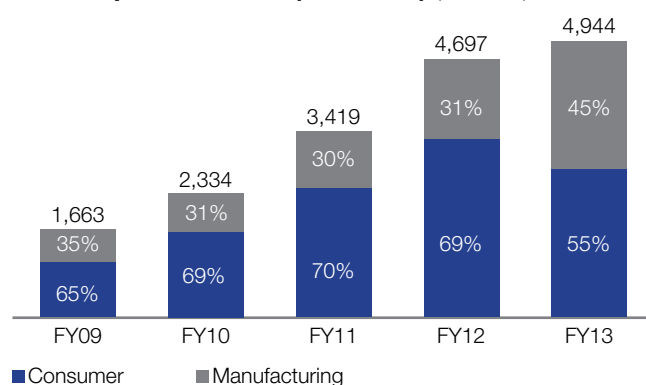
The Imported spirits grew by ~25% YoY and is expected to reach 5 million cases by 2015. There are high potential niche opportunities that are emerging in the space.

BUSINESS VERTICALS

Your Company straddles the entire value chain of the alcohol business which can be categorised into two segments, Consumer (B2C) and Manufacturing (B2B).

The consumer businesses of IMIL & IMFL yield a higher value than the manufacturing businesses, and it is a constant endeavour of the Company to increase allocation of capacities to its own consumer business.

Break-up of revenues (Proforma) (₹ Million)



Calculation of Proforma revenues

	(₹ Million)				
	FY09	FY10	FY11	FY12	FY13
Net Sales	1,978	2,650	3,783	5,048	5,215
Other Operating Income	17	21	52	22	70
Reported revenues	1,996	2,671	3,769	5,070	5,285
Less Franchisee revenues from ABD	333	336	350	373	341
Proforma revenues*	1,663	2,287	3,419	4,697	4,944

Rationale for proforma adjustment

The difference between reported revenues and proforma revenues is sale value of IMFL cases bottled by GSL in Rajasthan for third parties. The regulatory regime in Rajasthan necessitates companies to account for sale value of third party bottling in own revenues. The entire amount is also reported in costs, neutralizing the impact at an EBITDA level. Hence, proforma revenues eliminate these revenues to provide a better picture of company's operations.

IMIL

Your Company ventured into IMIL sales in 1999 in Haryana. A few years later, in 2005 it expanded into Rajasthan and the year after that to Delhi. Within a short period of time, we established market leadership in these states.

During these years, the Industry has evolved significantly and has emerged as a market that allows freedom of choice to the consumer. This evolution has spurred competition in a traditionally regulated market.

With the competitive intensity increasing, your Company decided to focus on building strong brands with unique value proposition for the bottom of the pyramid consumer. Your Company pioneered branding in IMIL in 2011, with the launch of Nimboo. The pre-launch efforts

in developing an innovative product with differentiated packaging and building a cohesive communication

strategy showed immediate results with the product becoming an instant success.

IMIL Brand Portfolio



Nimboo

1st IMIL brand in India
positioned as awesome mix of natural lemon flavor with strong yet smooth blend profile
Market leader in Haryana's clear (white) IMIL segment
₹4.4 bn brand at the retail level



Goldee

1st mixed fruits blend in IMIL
Latest launch

Smooth palette with an explosion of mixed fruits flavour in its aftertaste. A refreshing blend inspired by the local fruits of Haryana.



Ghoomer

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



Heer Ranjha

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

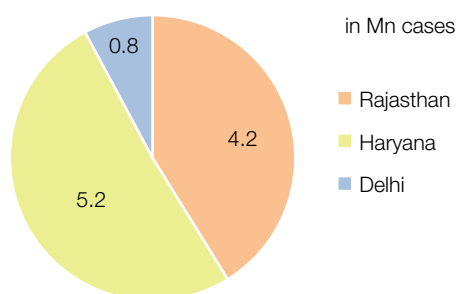


Narangi

Popular dark spirits' brand
Positioned as refreshing and juicy as Orange

Your Company is a leading player in all 3 North Indian states where it sells IMIL – Rajasthan (25%), Haryana (21%) and Delhi (23%).

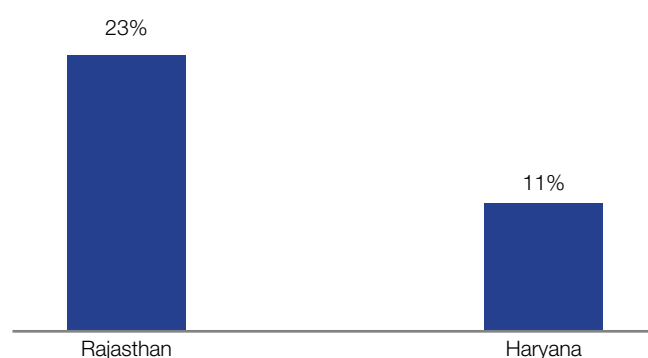
State-wise break-up of GSL IMIL Sales Volume



The Company has emerged as a leader in all three states in which it operates through its efforts to reinvent a traditional and commoditized market. The consolidated sale stood at 10.2 million cases or 22.4% market share despite marginal or no trade schemes. This is proof that the brands have become entrenched and have started receiving the benefits of loyalty.

In this year we extended the presence of our flagship brand Nimboo, to Rajasthan. This resulted in volume growth of 8% in the state.

FY09-13 CAGRs in GSL IMIL Sales volumes



The IMIL markets in North India have shown robust growth in volumes except for the transient de-growth witnessed in Haryana market in last financial year due to drought conditions and supply disruption.

Goldee Launch in Haryana

Growth in the profitable market of Haryana IMIL is imperative and in order to make the next leap, a new star was needed.



With the dominance of Nimboo in the white spirits sub segment of IMIL, a launch in the larger coloured sub-segment (70% share) was needed. This segment today is cluttered with orange flavoured me-too products.

Extensive research was carried out and several blends were developed ranging from herb to fruit based drinks. Along with the blend, several marketing platforms were developed and tested.

In the end, the brand Goldee emerged as a clear winner. The brand embodies the spirit of Haryana with a delicious cocktail of locally grown and preferred fruits. Focus group discussions were carried out and the brand scored exceptionally.

The brand stands for the strength and purity of character that Gold epitomises. Gold is noble metal and when it is forged, it loses all impurities and emerges in pristine form.

It is this brand promise that Goldee offers to its consumer.

Entry into Maharashtra

Your Company tested the Maharashtra IMIL market this year by way of a tie-up with a local bottling unit. The state is the largest market in India with sale of ~36mn cases in FY12. Over the next few years, your Company intends to emerge as a market-leader in this state as well.

IMFL

IMFL is the youngest vertical founded in FY08. In a short span of time, your Company has developed 3 core brands in the Regular category that have the potential to develop into long-term winners.

IMFL Strategy

Your Company's strategy is to develop a portfolio of strong profitable brands. In the early stages of this business, your Company focused on creating a distribution network through launch of various economy brands. Having successfully made inroads, your Company has now decided to focus on regular and above segments, in line with the 'premiumization' trend in the industry. New

brand launches would be in niche categories, low volume and high growth. Your Company has begun the process of exiting low priced brands and expects to complete the rationalization in current financial year.

Entry into Eastern India

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

The Eastern states of Bihar, Jharkhand and West Bengal are amongst the fastest growing IMIL markets in India. With the intent to geographically expand into these lucrative markets, your Company has already procured distillery licenses for Bihar, West Bengal and Jharkhand.

IMIL market size	Mn Cases	YoY growth
Bihar (FY13)	22.0	20%
West Bengal (FY12)	18.1	16%
Jharkhand (FY13)	2.6	18%

As per latest available year

Your Company has commenced work on the Bihar project and will set up a twenty million bulk litres distillery in the state which is expected to be commissioned in FY16.

MANUFACTURING BUSINESS

Franchisee IMFL

The Franchisee IMFL operations are a proxy play to leverage the rapid growth in IMFL segment. The Company has established 18.6 million cases of bottling capacity. Due to its scale, the company has access to systems that smaller operators may not have the access to.

This coupled with captive high quality ENA gives unmatched value to India's top IMFL companies.

Your Company has bottling contracts with ABD India, Jagatjit Industries, and United Spirits to manufacture their flagship brands in the states of Haryana and Rajasthan. In FY13 your company bottled an aggregate of 1.9 mn cases, an increase of 52% YoY. Your Company has deep-



Country Club
A RARE BLEND OF MATURED INDIAN MALTS
B. No. 02
JUN-2012
DELUXE WHISKY
750 ml
40% Alc/Vol (80 Proof)
Distilled by
Blended by
Bharat-Singh Limited
Bharat-Singh Limited
101, Okhla Bypass,
Okhla, New Delhi-110024
India
© Blended by
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rooted relationships with the franchisors and expects to witness strong growth driven by the vast and growing popularity of their brands. In Haryana, the combined market share of these players is ~50% (4.5 mn cases) and in Rajasthan, where your Company is bottling only for ABD, the franchisor has a market share of ~20% (1.8 mn cases).

Bulk Alcohol

Your Company has one of the largest grain-based distillation capacities in India with state of art plants at Rajasthan (Behror) & Haryana (Samalkha and Hisar) having combined operating capacity of ~90mn bulk litres. All plants are environment friendly and are amongst the first in the country to have zero-discharge.

Greater part of these bulk capacities are being used for captive consumption in the Consumer businesses which generates higher margins. Keeping this in view, new capacity of 42.2mn bulk litres was added at Behror and Samalkha during the year. In the last 5 years, around 81% of bulk production has been used for captive consumption for consumer business and third-party bottling.

With the recent expansion, your Company is ready to take care of future demand from its Consumer businesses coming from the existing markets.

The new capacities are based on 'multi-pressure-distillation' which converts grains to ENA directly via fermented wash as opposed to the traditional two-stage process. Your Company's alcohol recovery rate is one of the highest in the country, achieved through continuous focus on improving efficiencies.



Whisky product targeted towards young professionals

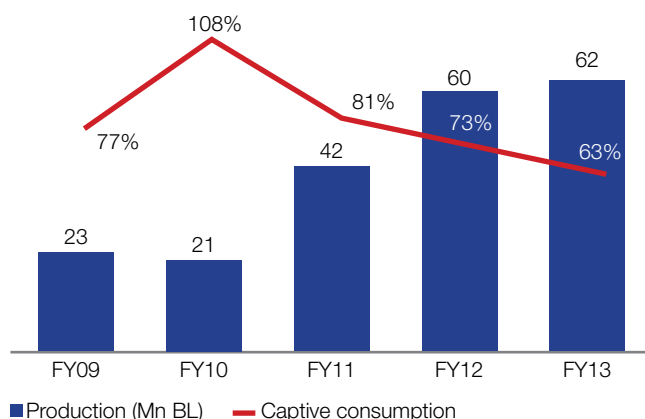


First GSL brand to get **approved for CSD**.
Rum market in CSD of over 5 mn cases



3rd largest selling gin in its category in Rajasthan

Captive consumption of Bulk Alcohol



Financial Highlights

- Revenues up 4.3% YoY to reach ₹5,285mn
- EBITDA at ₹740.9mn with EBITDA margin of 14.0%
- PAT at ₹341.9mn, with margin of 6.5%
- The Board of Directors have recommended a dividend of ₹1.2 per share for FY13

Environmental Compliance

Your Company is on its way to 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. Following are the steps we have undertaken in the new expanded capacity:

Air Pollution

- a) Step forward to achieving zero discharge (explained below)
- b) Air Pollution control through installation of the relevant Control devices with ESPs
- c) Air pollution control through collection, purification and sale of CO₂. All Carbon dioxide generated in fermentation shall be collected purified and sold to buyers including soft drink manufacturers and others thus abating air pollution.
- d) Proper disposal of all effluent related products such as spent grain and fly ash. Spent Grain shall be sold as cattle feed (see below) and fly ash/ash disposed off for land fill or for brick making.

Details of Zero Discharge – Liquid Discharges Achieved through the following steps

1. Separation of spent grain from spent wash: The spent wash emerging from distillation (waste) would be passed through suitable equipment for the separation of spent grain.
2. Evaporation of Spent Wash: The lean spent wash would then be evaporated and concentrated to syrup in an evaporator specially put for the purpose which is integrated with the Distillation plant. This would be required to enable its drying later.
3. Mixing the concentrated spent wash with spent grain: The syrup spent wash and the spent grain obtained would be mixed to form Wet Grain which can be disposed as cattle feed.
4. Drying the same to powder: To improve on the quality of the Wet grain produced above the same would be dried and sold as dried cattle feed.

Water management

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

Thus, achievement of zero discharge on all streams as per requirement of the Pollution Boards.

R&D Activities in Globus (Technology)

- a) Higher efficiencies of conversion: The expansion was done with the state of the art latest technologies to get the best conversions to alcohol at the highest efficiencies. This would be in lines with the best practices being followed. We are also working on improving conversions not only of starch but also to alcohol with new strain enzymes and yeasts.
- b) Improving Distillation techniques and translating that to the plant in the expansion – Multi-pressure: To improve both on quality and energy consumption the distillation plant shall be of the multi-pressure design which would give us the benefit of both. The quality would be matched with the best alcohol available in the country.
- c) Looking at alternate disposals of spent grain: To keep in 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 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 ‘Eduployable’ [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 eight to twelve 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 16,000 candidates and 4,100 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 65 centers located in UP, Punjab, Delhi, Odisha, Andhra Pradesh, Uttarakhand, Haryana, Rajasthan and Bihar. 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 2013, the employee (excluding casual) count for the company stood at 290 compared to 300 on 31st March 2012.

Disclaimer

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

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 Ltd. 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 and Non-Executive & Independent Directors who have in-depth knowledge of business, in addition to expertise in their areas of specialization. The Directors bring in expertise in the fields of 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 10th August 2013, the Board consisted of 12 Directors comprising the Chairman being Non-Executive & Independent Director, one Managing Director and five more Non-Executive & Independent Directors, the five 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 Ltd. believes that composition of board is conducive for making decisions expediently, with the benefit of a variety of perspectives and skills, and in the best interests of the Company as a whole rather than of individual shareholders or interest groups.

In accordance with the provisions of 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 2012-13, 7(Seven) Board Meetings were held on 26/05/2012, 11/08/2012, 13/09/2012, 09/11/2012, 07/01/2013, 12/02/2013 and 19/03/2013.

The Composition of Board of Directors, attendance during the year at the Board meetings and the last Annual General Meeting, Number of other Directorships, Committee memberships and Chairmanships held by them as at 10th August, 2013 are given below:

Directors	Category	Attendance		No. of other Directorships and Committee Memberships/ Chairmanships held \$		
		Board Meetings during the FY 2012-13	Last AGM	Director-ships	Committee Member-ships	Committee Chairmanships
Shri Gautam Premnath Khandelwal	NE-I-C	NIL	No	2	2	1
Shri Ajay K. Swarup	MD-P	6	Yes	5	-	-
Sh. Shekhar Swarup	E-P	6	Yes	2	-	-
Shri Manik Lal Dutta	E	5	Yes	-	-	-
Dr. Bhaskar Roy	E	7	Yes	-	-	-
Sh. Joginder Singh Dhamija	NE-I	4	No	-	-	-
Sh. Santosh Kumar Bishwal	NE-I	3	No	1	-	-
Sh. Rajesh Kumar Malik	WTD	1	No	-	-	-
Sh. Rameshwar Dayal Aggarwal	WTD	1	No	-	-	-
Sh. Vivek Gupta	NE-I	2	No	6	-	-
Sh. Kunal Agarwal	NE-I	4	No	-	-	-
Sh. Satinder Lachhman Singh*	NE-I	4	Yes	-	-	-
Sh. Rajesh Sehgal	NE-I & N	NIL	NA	1	-	-

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

\$ 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.
4. Sh. Vivek Gupta & Sh. Kunal Agarwal were inducted in the Board w.e.f. 11th August, 2012
- *5. Sh. Satinder Lachhman Singh who was inducted in the Board on 26th May, 2012 has resigned from directorship of the Company w.e.f. 20.05.2013.
6. Sh. Rajesh Sehgal being nominee of M/s Templeton Strategic Emerging Markets Fund IV, LDC was inducted in the Board w.e.f. 19th March, 2013.

Sh. Shekhar Swarup, the Executive Director of the company is the son of Sh. Ajay K. Swarup, the Managing Director of the company & none of the other 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 of 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, 2013, all Board members and Senior Management Personnel have affirmed compliance with the code of Conduct for Directors and Senior Management respectively.

Sd/-

Ajay K. Swarup
Managing Director

10th August, 2013

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:
 - a. 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.

- b. Changes if any, in accounting policies and practices and reason for the same.
- c. Major accounting entries involving estimates based on exercise of judgment by management.
- d. Compliance with the listing and other legal requirement relating to financial statement.
- e. Disclosure of any related party transaction.
- f. Qualification in the draft audit report.

COMPOSITION

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

S. No.	Name of Member	Designation in Committee	Designation in Company
1	Sh. Santosh Kumar Bishwal	Chairman	Independent Director
2	Sh. Joginder Singh Dhamija	Member	Independent Director
3	Sh. Rajesh Sehgal	Member	Independent Director
4	Dr. Bhaskar Roy	Member	Executive-Finance & CFO

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

During the Financial Year 2012-13, 4 (Four) Audit Committee Meetings were held on 26th May, 2012, 11th Aug. 2012, 09th November, 2012 and 12th February 2013. The composition of Audit Committee and attendance at its meeting is as follows:

Members	Designation	No. of Meetings attended
Shri Santosh Kumar Bishwal	Chairman	3
Shri Joginder Singh Dhamija	Member	4
Sh. Satinder Lachhman Singh*	Member	4
Sh. Rajesh Sehgal*	Member	0
Dr. Bhaskar Roy	Member	4

* Sh. Satinder Lachhman Singh has resigned w.e.f. 20th May, 2013 and w.e.f. 20th May, 2013 Sh. Rajesh Sehgal has been appointed as member of the Audit Committee.

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, 1956 and Schedule XIII thereof.
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 actions and measures.

COMPOSITION

The constitution of the Remuneration Committee is as under:-

S. No.	Name of Member	Designation in Committee	Designation in Company
1	Sh. Joginder Singh Dhamija	Chairman	Independent Director
2	Sh. Santosh Kumar Bishwal	Member	Independent Director
3	Mr. Gautam Premnath Khandelwal	Member	Independent Director
4	Sh. Rajesh Sehgal*	Member	Independent Director

Note:-Sh. Satinder Lachhman Singh who was also a member of the Remuneration Committee resigned w.e.f. 20th May, 2013.

*W.e.f. 20th May, 2013 Sh. Rajesh Sehgal has been appointed as member of the Remuneration Committee.

Remuneration Policy

The remuneration policy of the Company subject to Section 198, 310 and the provisions of Schedule XIII of the Companies Act, 1956, is based on the rewarding criteria where by each of the Director's remuneration is determined according to his performance and contribution in the growth and financial performance of the Company. The present trends and precedence are also considered while determining the Remuneration.

Details of Directors Remuneration:

The details of remuneration paid to the Managing/Executive/Whole-time Directors of the Company during the financial year ended 31st March 2013 are as under:

S. No.	Name	Designation	Salaries & Allowance (₹)	Other Benefits (₹)	Commission (₹)	Total (₹)
1.	Sh. Ajay K. Swarup	Managing Director	6240000	30000	Nil	6270000
2.	Sh. Manik Lal Dutta	Executive Director	1160880	Nil	Nil	1160880
3.	Sh. Rajesh Kumar Malik	Whole-time Director	927852	38400	Nil	966252
4.	Sh. Shekhar Swarup	Executive Director	1950000	Nil	Nil	1950000
5.	Dr. Bhaskar Roy	Executive Director	1479600	Nil	Nil	1479600
6.	Sh.. R.D. Aggarwal	Whole-time Director	778008	30000	Nil	808008

The tenure of the appointment of Managing Director has been for a period of 5 years w.e.f. December 1, 2011.

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 during F.Y. 2012-13 are as under.

Name of Independent Director	Sitting Fees (₹)
Sh. Joginder Singh Dhamija	110000
Sh. Santosh Kumar Bishwal	90000
Sh. Vivek Gupta	10000
Sh. Kunal Agarwal	30000
Sh. Satinder Lachhman Singh*	50000

None of the Non Executive Directors had any pecuniary relationship or transactions with the company during the year ended 31st March 2013 except getting sitting fees for the meeting attended by them.

*Sh. Satinder Singh Lachhman has resigned from the Company w.e.f. 20th May, 2013.

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

COMPOSITION

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

Name of the Members	Designation	Designation in Company
Mr. Santosh Kumar Bishwal	Chairman	Independent Director
Mr. Joginder Singh Dhamija	Member	Independent Director
Mr. M. L. Dutta	Member	Executive Director
Dr. Bhaskar Roy	Member	Executive Director & CFO

COMPLIANCE OFFICER

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

Date of Meeting	Location of the Meeting	Time	Details of Special Resolution Passed Therein
09.09.2010	Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-110003	03.00 P.M	NONE
31.10.2011	Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-110003	11.30 A.M	1. Appointment of & payment of remuneration to Sh. Shekhar Swarup u/s 314(1)(b) of the Companies Act, 1956.
2109.2012	Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-110003	11:30 A.M.	NONE

(III) Postal Ballet

During the year ended 31.03.2013 Company passed one Special Resolution through Postal Ballet u/s 81 of the Companies Act, 1956 to issue further securities.

Details of Voting Pattern:

Number of valid Postal Ballet Forms Received	13
Votes in favour of Resolution	15034930
% of Votes in favour of the Resolution	65.38%
Votes against the Resolution	NIL
% of Votes against the Resolution	NIL
Number of invalid Postal Ballet Forms received	NIL

(IV) Mr. Santosh Kumar Pattanayak, than Company Secretary was appointed as Compliance Officer for conducting the Postal Ballet. Company appointed CS Sh. Sandeep K. Parashar as scrutinizer.

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

W.e.f. 22.07.2013 Shri Joylin Jain, Company Secretary of the Company has been appointed as Compliance Officer*.

*Before Mr. Joylin Jain, Mr. Santosh Kumar Pattanayak, Company Secretary of the Company was the Compliance Officer. Since he has resigned from the Company effective from 30th June, 2013, therefore, ceased to be the Compliance Officer of the Company.

DETAILS OF SHAREHOLDERS'/INVESTORS' COMPLAINTS RECEIVED AND ATTENDED

Number of Shareholders'/Investors' Complaints received during the period 01.04.2012 to 31.03.2013	06
Number of Complaints attended/resolved	06
Number of pending complaints as on 31.03.2013	NIL

6. GENERAL BODY MEETINGS

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) Whistle Blower Policy

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

v) CEO/CFO Certificates

The Managing Director, Shri Ajay K. Swarup and Executive Director and CFO, Dr. Bhaskar Roy 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:-

corpoffice@globusgroup.in, joylin@globusgroup.in

9. GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting:

Date & Time	Wednesday, 25th September, 2013 at 11:00 A.M.
Venue	Delton Hall, 2, Institutional Area, Lodhi Road, New Delhi-110003
b) Financial Year	01st April, 2012 to 31st March, 2013

c) Book Closure	Saturday, 14th Sept., 2013 to Wednesday, 25th Sept., 2013 (both days inclusive)
d) Dividend	₹1.20/- per share (i.e. @ 12 %) for the year ended 31st March 2013, if approved by the members, would be payable on and from 25th September, 2013 onwards.

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

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

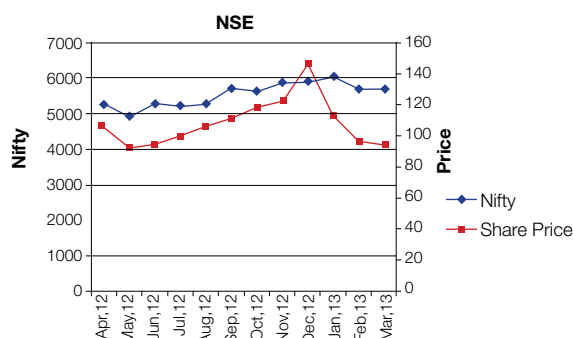
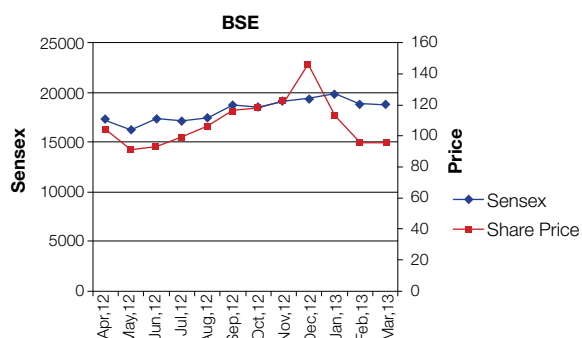
- Bombay Stock Exchange Limited, 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.
- National Stock Exchange of India Limited, 'Exchange Plaza', Bandra - Kurla Complex, Bandra (East), Mumbai- 400 051.

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

g) Stock Market Price Data for the year 2012-13

Month	BSE Price (₹)		NSE Price (₹)	
	High	Low	High	Low
April, 2012	115.00	101.00	112.90	100.85
May, 2012	112.95	91.40	112.85	91.15
June, 2012	99.60	87.20	97.00	87.20
July, 2012	132.90	94.00	132.80	93.00
August, 2012	118.00	99.50	117.95	99.05
September, 2012	128.90	106.80	126.40	107.10
October, 2012	130.40	110.80	130.40	109.65
November, 2012	137.90	116.50	137.90	116.00
December, 2012	147.00	122.40	147.50	121.55
January, 2013	150.00	111.10	150.00	111.25
February, 2013	119.35	95.65	119.85	95.50
March, 2013	121.40	90.15	121.35	90.50

Comparison of Shares of the Company with Indices



Distribution of Equity shareholding as on 31st March 2013

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	7849	88.2406	897517	3.9026
501 to 1000	548	6.1608	441595	1.9202
1001 to 2000	238	2.6757	361853	1.5734
2001 to 3000	81	0.9106	203015	0.8828
3001 to 4000	40	0.4497	145329	0.6319
4001 to 5000	29	0.3260	133967	0.5825
5001 to 10000	59	0.6633	425068	1.8483
10001 & above	51	0.5734	20389397	88.6583
GRAND TOTAL	8895	100.00	22997741	100.00

Shareholding Pattern as on 31st March, 2013:

Category	No. of Share Held	% of Holding
A. Equity:		
a. Promoter & Promoter Group		
1. India	15429255	67.09
2. Foreign	0.00	0.00
Total (A)	15429255	67.09
b. Public		
1. Institutions	4100320	17.83
2. Non-Institutions	3468166	15.08
Total (B)	7568486	32.91
Grand Total (A+B)	22997741	100
B. 4.75% Cumulative Compulsorily Convertible Preference Shares	50,38,168	100
Total	50,38,168	100

Dematerialization of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialized form. As on 31st March, 2013, 99.998% of total equity shares were held in dematerialized form.

14664240 Equity shares are locked-in-share. Apart from this, the Cumulative Compulsorily Convertible Preference Shares and Warrants mentioned below are also locked-in for minimum period of one year from the date of their allotments.

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

S. No.	Instruments	No.	Date of Allotment	Date of Conversion	Conversion Ratio (into Equity)
1	4.75% Cumulative Compulsorily Convertible Preference Shares	50,38,168	19.03.2013	Within 18 months from the date of allotment	1:1
2	Warrants, holders are entitled to convert them into Equity Shares	7,63,359	19.03.2013	Within 18 months from the date of allotment	1:1

Impact on Equity: On conversion the number of equity shares will increase accordingly.

Plant Locations:

1	Vill: Shyampur, Tehsil:Behror, Dist:Alwar, Rajasthan
2	4K.M., Chulkana Road, Vill: Samalkha, Dist:Panipat, Haryana
3	National Highway, Hisar Bye-pass, Hisar, Haryana

Registrar and Share Transfer Agents:

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

Share Transfer System:

Company's shares are transferable both in Demat & Physical mode. The transfers of shares in case of dematerialization form are being conducted through Depository Participant (DP). For the transfer of physical shares Company's Registrar at above mentioned address is to be contacted. Further Share transfer requests received in physical form are registered within 21 days from the date of receipt and demat requests are normally confirmed within the prescribed time from the date of receipt.

Investor correspondence address

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

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

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 & all other members of the committee are Non Executive & Independent Directors 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.

Compliance

The Certificate dated 10th August, 2013 obtained from our statutory auditors M/s B.M. Chatrath & Co, Chartered Accountants, New Delhi forms part of this Annual Report.

Auditor's Certificate on Corporate Governance

To
The Members
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, 2013, 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 has been limited to review of the 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.

Place: New Delhi
Date: 10/08/2013

For B.M.Chatrath & Co.
Chartered Accountants

Sd/-
(Vinay Kumar Sharma)
Partner
Membership No. 506491

CEO and CFO Certification

In terms of Clause 49 of the Listing Agreement, we, Dr. Bhaskar Roy, Executive Director & 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 evaluated 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, 2013.
- (d) We have indicated to the auditors and the Audit committee
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been 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 over financial reporting.

Place: New Delhi
Date: 10/08/2013

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

Sd/-
(Ajay K. Swarup)
Managing Director

Auditor's Report

To the Members of **M/s. GLOBUS SPIRITS LIMITED**

We have audited the accompanying financial statements of M/s. GLOBUS SPIRITS LIMITED, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
 2. As required by section 227(3) of the Act, we report that:
 - a) 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;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

- e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place : New Delhi

Date : 20th May 2013

**For B.M. CHATRATH & Co.
Chartered Accountants
FRN:301011E**

**Sd/-
Umesh C. Pandey
(PARTNER
Membership No. :55252**

(The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Globus Spirits Limited. on the accounts of the company for the year ended 31st March, 2013.)

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, no substantial part of fixed assets has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

- (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
- (e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses and for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

5. a) No transaction have been entered during the year in the registered maintained in pursuance of Section 301 of the Companies Act, 1956 and based on the audit procedures applied by us and according to the information and explanations provided by the management, we have not come across any transaction that need to be entered into the register maintained in pursuance of section 301 of the Companies Act, 1956, Accordingly, Sub section (b) is not applicable..
6. As per information & explanations given by the management, The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal control system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of

section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities except Income tax of ₹ 10,47,55000/-has been paid till date out of total Income Tax Provision of ₹5,00,00,000/-for the year ended 31st ,March 2013 and in case of any delayed payment the company has paid proper Interest thereon.
- (b) According to the information and explanations given to us there were no undisputed amount payable in respect of Income tax, Sales tax, Cess were in arrear as on 31st of March, 2013 for a period of more than six months from the date they became payable.

- (c) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes except the following:-

A.Y.	Name of the statute	Nature of dues	Amount (₹)	Forum where dispute is pending
2010-11	Income Tax Act	Income Tax	6,36,239	CIT (A)

10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and not in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments. Hence this clause is not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that term loans have been applied for the purpose for which they were raised.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.

18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that on 19th March 2013, the Company has raised ₹70,53,43,520/- by making preferential allotment of 50,38,168, 4.75% Cumulative Compulsorily Convertible Preference Shares(CCCPS) to M/s Templeton Strategic Emerging Markets Fund IV, L.D.C. at a price of ₹140/- per CCCPS, which are convertible into one equity shares of the face value of ₹10/- each against each CCCPS within a period of 18 months from the date of allotment. The company has also received ₹ 2,67,17,565/- towards 25% upfront payment against allotment of 7,63,359 Warrants at an issue price of ₹ 140/- per Warrant, entitling the holder of each Warrant, from time to time, to apply for and obtain allotment of one equity share of the face value of ₹ 10/- each against each such Warrant within a period of 18 months from 19th March 2013.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year except issue of 50, 38,168 (CCCPS) 4.75% Cumulative Compulsorily Convertible Preference Shares @ ₹140/- & 7,63,359 warrants at a price of ₹140/- each during the year as mentioned aforesaid.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

Place : New Delhi
Date : 20th May 2013

For B.M. CHATRATH & Co.
Chartered Accountants
FRN:301011E

Sd/-
Umesh C. Pandey
(PARTNER
Membership No. :55252

Balance Sheet

as at March 31, 2013

(In ₹)

	Notes	As at March 31, 2013	As at March 31, 2012
1. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	935,320,930	229,977,410
Reserves and surplus	3	2,550,421,897	2,243,124,573
Money Received agaisnt shrare warrants		26,717,565	-
		3,512,460,392	2,473,101,983
Non-current liabilities			
Long-term borrowings	4	329,723,844	427,240,338
Deferred tax liabilities (Net)	23(ii)	384,198,754	308,790,505
Other Long term Liabilities	7	28,155,284	26,837,710
Long-term provisions	5	13,971,834	8,592,768
		756,049,716	771,461,321
Current liabilities			
Short-term borrowings	4	491,643,459	636,947,572
Trade payables	6	776,091,632	744,003,516
Other current liabilities	7	400,381,384	250,351,212
Short-term provisions	5	104,755,000	120,000,000
		1,772,871,475	1,751,302,300
TOTAL		6,041,381,583	4,995,865,604
1I. ASSETS			
Non-current assets			
Fixed assets			
- Tangible assets	8	3,790,803,250	2,615,944,983
- Intangible assets	8	360,825,240	179,468,199
- Capital work-in-progress	8	208,126,137	524,076,496
- Intangible assets under development		-	77,586,150
Non-current Investments	9	1,177,153	1,177,153
Long-term loans and advances	10	70,769,965	65,675,312
Other non-current assets	11	-	-
		4,431,701,745	3,463,928,292
Current assets			
Inventories	13	355,841,641	468,346,680
Trade Receivables	14	621,259,613	553,254,580
Cash and cash equivalents	12	312,336,557	72,506,113
Short-term loans and advances	10	315,987,469	430,304,985
Other current assets	11	4,254,558	7,524,954
		1,609,679,838	1,531,937,312
Total		6,041,381,583	4,995,865,604
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For and on behalf of the Board of Directors

For **B.M.Chatrath & Co.**
FRN : 301011E
Chartered Accountants

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

Sd/-
Manik Lal Dutta
Director
DIN- 00769308

Sd/-
Umesh C. Pandey
Partner
M.No. : 55252

Sd/-
Santosh Kumar Pattanayak
Company Secretary
ACS-18721

Sd/-
Bhaskar Roy
Director Finance & CFO
DIN- 02805627

Place: New Delhi
Date: 20/05/2013

Statement of Profit and Loss

for the year ended March 31, 2013

(In ₹)

	Notes	For the Year ended March 31, 2013	For the Year ended March 31, 2012
I Revenue from operations	15	5,285,222,333	5,069,756,563
II Other Income	16	10,618,382	6,847,907
III TOTAL REVENUE (I+II)		5,295,840,715	5,076,604,470
IV Expenses			
Cost of Materials consumed	17	3,182,545,507	3,143,232,152
Changes in Inventories of finished goods	18	60,065,205	(113,781,691)
Employee benefit expenses	19	103,098,487	88,322,345
Finance Cost	20	63,312,050	48,230,530
Depreciation and amortization expense	8	164,893,543	122,965,703
Other expenses	21	1,198,591,913	1,209,150,665
Total Expenses		4,772,506,705	4,498,119,704
V Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		523,334,010	578,484,766
VI Exceptional items		-	-
VII Profit/(Loss) before extraordinary items and tax (V-VI)		523,334,010	578,484,766
VIII Prior Period Expenses		1,316,839	971,033
IX Profit/(Loss) before tax (VII-VIII)		522,017,171	577,513,733
X Tax expense			-
Current tax		104,755,000	120,000,000
Deferred tax		75,408,249	48,590,152
XI Profit/(Loss) after tax from continuing operations(IX-X)		341,853,922	408,923,581
XII Earnings per equity share			
Basic	22	14.81	17.78
Diluted	22	14.68	17.78
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For **B.M.Chatrath & Co.**
FRN : 301011E
Chartered Accountants

Sd/-
Umesh C. Pandey
Partner
M.No. : 55252

Place: New Delhi
Date: 20/05/2013

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

Sd/-
Santosh Kumar Pattanayak
Company Secretary
ACS-18721

For and on behalf of the Board of Directors

Sd/-
Manik Lal Dutta
Director
DIN- 00769308

Sd/-
Bhaskar Roy
Director Finance & CFO
DIN- 02805627

Notes to the financial statements for the year ended March 31, 2013

Corporate Information

Globus Spirits Limited (the Company) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is primarily engaged in the business of alcohol industry including Indian Made Indian Liquor (IMIL), Indian Made Foreign Liquor (IMFL), IMFL Franchise Bottling and Bulk Alcohol.

1 Summary of significant accounting policies

(a) Basis of Preparation

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.

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting policies requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported accounts of revenues and expenses for the years presented. Actual results could differ from these estimates. Any revision to these accounting estimates is recognized prospectively in the period such changes are determined.

(c) Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(d) Fixed Assets (including Intangible assets)

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.

(e) Depreciation

Depreciation on Fixed Assets is provided on Straight Line Method as per the classification and in the manner specified in Schedule-XIV to The Companies Act, 1956.

(f) Inventories

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

Stores , Spare & fuel	: Average Cost	
Raw material &	: Average	Cost
Packing material		
Finished Goods	: Valued at cost or market price Which ever is less	

(g) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of Profit and Loss.

(h) 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.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

Export Benefit under the Duty Free Credit Entitlements is recognized in the statement of profit and loss, when right to receive license as per terms of the scheme is established in respect of exports made and there is no significant uncertainty regarding the ultimate collection of the export proceeds

(i) Employee 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

- a) Provident fund on actual liability basis.
- b) Provision for Gratuity, Bonus and Leave encashment has been provided for as per actuary's valuation method.

(j) Leases

Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease term at the lower of the fair value of the leased property and present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalised.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating lease. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs etc. are recognized immediately in the statement of profit and loss.

(k) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events of bonus issue and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(l) Taxes on Income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years. Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted, at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

(m) 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.

(n) 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.

(o) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(p) Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

(q) Provisions

A provision is recognized when:

- i. the Company has a present obligation as a result of past event;
- ii. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- iii. a reliable estimate can be made of the amount of the obligation.
- iv. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(r) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or nonoccurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

	March 31, 2013		March 31, 2012	
	No of shares	In ₹	No of shares	In ₹
2. Share capital				
Authorised shares				
Equity Shares of 10 each	35,000,000	350,000,000	35,000,000	350,000,000
Cumulative Compulsorily Convertible Preference Shares (CCCPS) of ₹140/- each	5,100,000	714,000,000		
	40,100,000	1,064,000,000	35,000,000	350,000,000
Issued, Subscribed and Paid-up Shares				
Equity Shares of 10 each	22,997,741	229,977,410	22,997,741	229,977,410
Cumulative Compulsorily Convertible Preference Shares (CCCPS) of ₹140/- each	5,038,168	705,343,520		
	28,035,909	935,320,930	22,997,741	229,977,410

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31, 2013		March 31, 2012	
	No of shares	In ₹	No of shares	In ₹
Equity shares				
At the beginning of the year	22,997,741	229,977,410	22,997,741	229,977,410
During the Year	-	-	-	-
Outstanding at the end of the year	22,997,741	229,977,410	22,997,741	229,977,410
Cumulative Compulsorily Convertible Preference Shares (CCCPS)				
At the beginning of the year	-	-	-	-
During the year 5038168 CCCPS have been allotted to M/s Templeton Strategic Emerging Markets Fund IV, L.D.C.	5,038,168	705,343,520	-	-
Outstanding at the end of the year	5,038,168	705,343,520	-	-

b. Terms/ rights attached to equity shares

The company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the board of directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

c. Terms/ rights attached to CCCPS

50,38,168, 4.75% Cumulative Compulsorily Convertible Preference Shares ("CCCPS") at a par value of ₹140/- (Rupees one hundred forty only) per CCCPS, payable semi annually, are issued and allotted to Templeton Strategic Emerging Markets Fund IV, L.D.C., which are convertible into one equity shares of the face value of ₹10/- each against each CCCPS.

d. Terms/ rights attached to Warrant

7,63,359 Warrants at an issue price of ₹140/- per warrant are issued and allotted to M/s Chandbagh Investments Limited, entitling the holder of each Warrant, from time to time, to apply for and obtain allotment of one equity share of the face value of ₹10/- each against each such Warrant within a period of 18 months from the date of allotment.

e. Shares held by holding / ultimate holding company and persons holding more than 5% shares

	March 31, 2013		March 31, 2012	
	No of shares	% holding	No of shares	% holding
Equity Share				
Chandbagh Investments Limited - Promoter	11,367,510	49.43	11,367,510	49.43
Ajay K. Swarup - Promoter	1,649,820	7.17	1,629,820	7.09
Anoop Bishnoi - Promoter Group	1,619,820	7.04	1,619,820	7.04
IDFC Premier Equity Fund - Public	1,823,068	7.93	1,820,000	7.91
SBI MAGNUM SECTOR FUNDS UMBRELLA EMERGING BUSINESSES FUND-Public	1,873,393	8.15		
Cumulated Compulsorily Convertible Preference Share				
Templeton Strategic Emerging Markets Fund IV, LDC - Public (CCCPS of ₹140/- each fully paid up)	5,038,168	100.00		

f. Details of Bonus Shares issued during 2007-08

During the year 2007-08, the company has issued 3919247 equity shares of ₹10/- each fully paid-up in the ratio of 1:2 & the said bonus shares has been issued by the company out of its accumulated Profit and Loss appropriation account.

(In ₹)

	March 31, 2013	March 31, 2012
3. Reserves and surplus		
General Reserves		
Opening Balance	131,069,552	120,569,552
Security Premium Reserve Account	755,500,000	755,500,000
Transferred from Profit & Loss appropriation account	10,500,000	10,500,000
Subsidy received from MNRE *	9,600,000	10,800,000
Total General Reserves	906,669,552	897,369,552
Surplus in the statement of profit and loss		
Opening Balance as per last financial statements	1,345,755,021	979,407,770
Profit/ (Loss) for the year	341,853,922	408,923,581
Less : Appropriations		
Transfer to general reserve	10,500,000	10,500,000
Accrued Preference Dividend on CCCPS but not due	1,101,495	
Tax on Preference Dividend	178,773	
Proposed Dividend @ 12% on equity share capital	27,597,290	27,597,290
Tax on Dividend	4,479,040	4,479,040
Total appropriations	43,856,598	42,576,330
Net surplus/ (Loss) in the statement of profit and loss	1,643,752,345	1,345,755,021
Total reserves and surplus	2,550,421,897	2,243,124,573

*Out of the total subsidy received from Ministry of New & Renewable Energy of ₹1,20,00,000/- during the year 2011-12, ₹1,20,000/- has been considered as income for the current year assuming the life of the boiler for 10 year & hence 10% of the total subsidy has been taken as current year income & rest of the balance amount has been shown in General Reserve.

(In ₹)

	Non-current portion (Long-term)		Current maturities (Short-term)	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
4. Long-term & Short-term borrowings				
Long-term borrowings				
a) Term loans (Secured from SBI, HDFC & HSBC bank)	319,957,169	314,779,051	135,596,000	146,912,836
b) Vehicle Loan from ICICI, HDFC & ABN AMRO	8,000,699	10,181,207	2,180,508	1,921,939
c) Unsecured Loan	1,765,976	102,280,080		
Short-term borrowings				
a) cash credit & WCDL Limits (Secured from SBI, HDFC & HSBC bank)	-	-	353,866,951	402,617,539
b) Subservient Secured Charge from Yes Bank	-	-	-	85,495,258
	329,723,844	427,240,338	491,643,459	636,947,572

(In ₹)

	Long-term		Short-term	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
5. Provisions				
Provision for employee benefits				
Leave encashment & Gratuity & Bonus	13,971,834	8,592,768	-	-
Other Provisions				
Provision for income tax	-	-	104,755,000	120,000,000
	13,971,834	8,592,768	104,755,000	120,000,000

(In ₹)

	March 31, 2013	March 31, 2012
6. Trade Payables		
Total outstanding dues of creditors other than micro , small and medium enterprises	776,091,632	744,003,516
	776,091,632	744,003,516

(In ₹)

	Non Current Liabilities		Current Liabilities	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
7. Other current and Non-current liabilities				
Creditors for capital goods*			173,207,560	35,291,327
Other Short-term Liabilities			174,838,138	170,554,520
Advances from customers	301,861	301,861	52,335,686	44,505,365
Other Long-term Liabilities	27,853,423	26,535,849		
	28,155,284	26,837,710	400,381,384	250,351,212

* creditors for capital goods has been taken as current liabilities as these creditors will be disposed off within a time period of one year.

8. Tangible & In-tangible Fixed Assets

Fixed Assets as at 31st March, 2013

Depreciation as per Straight Line Value method in accordance with Schedule XIV of Companies Act, 1956

Particulars	GROSS BLOCK			DEPRECIATION			NET BALANCES AS ON					
	As on 01/04/2012	Additions	Sale/ Disposal	As on 31/03/2013	Upto 01/04/2012	On Opening	On Additions	Total During the Year	Sale/ Disposal	Upto 31/03/2013	31/03/2013	31/03/2012
Tangible Assets												
	Land	13,697,583	5,507,425	-	19,205,008	-	-	-	-	-	19,205,008	13,697,583
	Factory Building	408,760,361	323,189,014	-	731,949,375	42,617,611	13,652,596	1,484,216	15,136,813	-	674,194,951	366,142,750
	Plant & Machinery	2,573,153,201	1,000,835,794	-	3,573,988,995	400,009,830	122,224,777	12,235,790	134,460,567	-	3,039,518,598	2,173,143,371
	Electric Fitting	12,114,298	-	-	12,114,298	5,505,856	766,835	-	766,835	-	5,841,607	6,608,442
	Vehicles	50,549,990	294,618	-	50,844,608	17,614,431	4,646,250	23,388	4,669,638	-	28,560,539	32,935,559
	Furniture	19,883,391	1,165,005	-	21,048,396	3,386,037	1,258,619	14,489	1,273,107	-	16,389,252	16,497,354
	Office Equipments	7,069,954	378,718	-	7,448,672	2,451,220	335,823	9,967	345,790	-	4,651,662	4,618,734
	Wireless System	159,052	-	-	159,052	152,217	-	-	-	-	152,217	6,835
	Tools & Equipments	10,993	-	-	10,993	10,610	-	-	-	-	10,610	383
	Computer	6,034,292	1,208,071	-	7,242,363	4,116,740	869,944	93,198	963,142	-	5,079,882	2,162,481
	Tractors	1,476,564	-	-	1,476,564	1,102,636	103,826	-	103,826	-	1,206,462	373,927
Cycle	5,845	-	-	5,845	3,355	661	-	661	-	4,016	1,829	
TOTAL	3,092,915,524	1,332,578,645	-	4,425,494,169	476,970,543	143,859,330	13,861,048	157,720,379	-	634,690,922	3,790,803,247	2,615,944,979
n-tangible Assets												
	Intangible-Knowhow & New Brand Development	190,937,238	188,530,185	-	379,467,423	11,469,019	6,377,304	799,530	7,173,164	-	360,825,240	179,468,221
	TOTAL	3,283,852,762	1,521,108,830	-	4,804,961,592	488,439,562	150,236,634	14,660,578	164,893,543	-	653,333,105	4,151,628,487
Previous Year	2,564,574,064	730,443,561	11,164,883	3,283,852,742	369,517,278			122,965,703	4,043,420	488,439,561	2,795,413,181	2,195,056,786
Capital Work in Progress	524,076,496	-	0	208,126,137								

(In ₹)

	Non-current investments		Current investments	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
9. Current & Non-current investments				
Non-current investments				
Quoted investments				
Burroughs Welcome (India) Ltd (100 shares of ₹10/- each fully paid-up)	18,265	18,265		
Bank of India (2900 shares of ₹10/- each fully paid up)	31,900	31,900		
(Market Price as on 31st March 2013 is ₹302.50/- Per share)				
Catvision Products Ltd (2500 shares of ₹10/- each fully paid-up)	22,500	22,500		
(Market Price as on 31st March 2013 is ₹8.52/- Per share)				
Un-quoted investments				
Biotech India Ltd. (24430 Shares of ₹10/- each fully paid-up)	244,300	244,300		
Haryana Financial Corporation (24100 equity shares)	843,500	843,500		
In the units of Mutual Funds				
Kothari Pioneer FMCG Fund- Dividend Payout (1229.746 units of ₹10/- each)	16,688	16,688		
Current investments				-
Total Investments	1,177,153	1,177,153	-	-
Less: Provision for diminution in the value of investments		-		
Total	1,177,153	1,177,153		

(In ₹)

	Long-term loans & advances		Short-term loans & advances	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
10. Long-term & Short-term Loans and Advances				
Short-term Loans and Advances				
Loans to staff	-	-	253,741	471,706
Advances unsecured considered good	-	-	48,006,672	69,000,891
TDS recoverable	-	-	6,692,187	4,243,907
Advances for capital goods *	-	-	35,725,830	116,343,939
Advances to suppliers & others	8,795,787	7,875,675	80,875,456	80,971,007
Duty & Taxes	-	-	38,295,862	40,014,516
Pre-paid expenses	-	-	23,071,910	22,303,666
Advance Income Tax paid	-	-	50,000,000	50,000,000
Earnest money deposited with Excise Department	-	-	2,374,206	1,330,982
Security Deposit	504,925	504,925	30,691,605	45,624,371
Sales tax deposited under protest	57,756,602	55,894,712	-	-
Long-term Loans and Advances	-	-		
Advance for Punjab license & Jharkhand license	3,712,651	1,400,000	-	-
Total Loans & Advances	70,769,965	65,675,312	315,987,469	430,304,985

* Advance for capital goods has been taken as short term advances as this amount will be adjusted within a time period of one year.

(In ₹)

	Other non-current Assets		Other current Assets	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
11. Other Current & Non-current Assets				
Other Non-current Assets				
Deferred Revenue Brand Promotion				
Opening Balance		1,767,416		-
Less : written off during the year		1,767,416		-
Closing Balance	-	-		-
Other Current Assets				
Interest accrued but not due		-	4,254,558	7,524,954
Total other Current & Non-current Assets	-	-	4,254,558	7,524,954

(In ₹)

	March 31, 2013	March 31, 2012
12. CASH AND CASH EQUIVALENTS		
BALANCES WITH BANKS		
In current accounts	287,991,419	53,788,182
Fixed Deposits	18,631,855	13,727,188
Cash in hand	4,793,994	4,228,825
Imprest with staff	144,307	137,039
Cheques in hand/transit	135,000	66,827
Liquid funds held with Reliance money manager	639,982	558,052
	312,336,557	72,506,113

13. INVENTORIES		
Raw Materials (valued at average cost)	88,314,543	99,559,500
Packing Materials (valued at average cost)	64,946,212	93,248,720
Finished Goods (valued at cost or market price which ever is less)	179,179,112	239,244,317
Fuel, Stores & Spares (valued at average cost)	23,401,774	36,294,143
	355,841,641	468,346,680

14. TRADE RECEIVABLES		
Un-secured Debtors considered good for a period less than six months	612,254,592	537,397,378
Debtors outstanding for a period exceeding six months	8,467,765	13,908,194
Doubtful Debtors	537,256	1,949,008
	621,259,613	553,254,580

(In ₹)

	For the Year ended March 31, 2013	For the Year ended March 31, 2012
15. Revenues from operations		
Sale of Product	March 31, 2013	March 31, 2012
Domestic Sales	6,623,569,014	6,580,982,297
Export Sales	14,753,008	52,008,428
Other Services		-
Other Operating Income	69940017	22,066,618
	6,708,262,039	6,655,057,343
Less:		
Discount, Allowances, and returns	34866737	30,478,619
Excise Duty	1388172969	1,554,822,161
TOTAL NET SALES	5,285,222,333	5,069,756,563

(In ₹)

	For the Year ended March 31, 2013	For the Year ended March 31, 2012
16. Other Income		
Accrued income on liquid investments	81,930	13,684
Interest Received	6,053,928	4,839,857
Profit on sale Fixed Assets	-	-
Dividend- Income	20,300	59,971
Miscellaneous Income	4,077,330	1,396,821
Exchange Fluctuation Gain	384,894	537,574
TOTAL	10,618,382	6,847,907
17. Cost of materials consumed		
1. Raw Material		
Opening Stock	99,559,500	98,271,177
Add : Purchases of Raw Material	2,194,979,967	1,977,522,142
	2,294,539,467	2,075,793,319
Less: Closing Stock	88,314,543	99,559,500
Raw Material Consumed	2,206,224,924	1,976,233,819
2. Packing Material		
Opening Stock of Packing Material	93,248,720	85,117,219
Add : Purchases of Packing Material	948,018,075	1,175,129,834
	1,041,266,795	1,260,247,053
Less : Closing Stock	64,946,212	93,248,720
Packing Material Consumed	976,320,583	1,166,998,333
Total of 1&2	3,182,545,507	3,143,232,152
18. Changes in Inventories		
Opening Stock	239,244,317	125,462,626
Less: Closing Stock	179,179,112	239,244,317
	60,065,205	(113,781,691)
19. Employee benefits expense		
Salary & Wages	94,098,414	83,613,099
Staff welfare expenses	2,524,550	2,140,013
Provision for Leave Encashment	1,274,758	1,164,057
Provision for Gratuity & Bonus	5,200,765	1,405,176
TOTAL	103,098,487	88,322,345
20. Finance Costs		
Interest	62,013,682	46,448,363
Bank Charges	1,298,368	1,782,167
TOTAL	63,312,050	48,230,530
21. Other Expenses		
I Manufacturing expenses		
Opening Stock Power & Fuel	36,294,143	23,661,153
Add : Purchases of Fuel	478,227,198	514,701,300
	514,521,341	538,362,453
Less: Closing Stock	23,401,774	36,294,143
Power and Fuel Consumed	491,119,567	502,068,310

(In ₹)

	For the Year ended March 31, 2013	For the Year ended March 31, 2012
21. Chemicals & Stores	78,417,120	74,411,646
Repairs: Plant & Machinery & Building	45,322,125	26,175,726
Licence Fees	37,950,030	41,848,382
Security Expenses	4,227,679	2,112,422
Direct Labour charges & Wages	24,963,173	23,439,013
Bottling Expenses/Fees	205,099,462	215,238,973
Land Lease	838,416	1,403,200
Inspection, Testing & Sampling	1,439,562	1,172,891
Effluent Disposal	5,668,744	8,508,332
Flour feeding charges/ Pet Coke Feeding	10,542,752	17,262,000
Turnover Tax/ Permit Fee Etc./concent/cess	1,595,522	9,932,258
Freight & Cartage	12,414,360	20,307,178
Service Tax on Transportation	9,371,856	6,271,621
Total Manufacturing Expenses (I)	928,970,368	950,151,952
II Selling & Marketing Expenses		
Business Surplus to BDA	54,120,515	39,118,108
Carriage & Freight outward	100,064,506	100,932,689
Excise Establishment & Supervision/Export fee	18,029,138	19,136,151
Sales Promotion Expenses	3,178,298	1,752,155
Sales Incentive	543,381	1,569,792
Delhi Godown Expenses	1,302,640	7,768,367
Marketing Expenses/Commission	20,537,752	16,550,497
Total Selling & Marketing Expenses (II)	197,776,230	186,827,759
III Administrative Expenses		
Legal, Professional & Consultancy	10,138,985	10,282,379
Printing & Stationery	1,301,189	902,581
Postage & Telephone	2,801,137	2,920,577
Travelling Expenses	12,004,744	11,915,635
Subscription, Books & Periodicals	809,680	823,640
Wealth Tax	146,830	152,775
Electricity Expenses	479,424	609,052
Rent	16,336,086	14,885,128
Repair & Maintenance - Others	8,713,546	7,506,937
Insurance	5,070,066	3,276,107
Advertisement	249,988	233,646
Rates & Taxes	215,935	737,921
Interest on Income Tax, TDS, TCS.....etc	1,636,746	108,017
Audit Fee	873,154	1,096,399
Recruitment & Training	774,773	946,992
Vehicle Repair & Maintenance	3,719,581	4,403,353
Conveyance	477,840	520,831
Director's Sitting Fee	578,493	472,076
sports expenses	26,640	147,465
Miscellaneous Expenses	2,756,333	2,315,806
Investor Relation Exps.	2,684,291	2,801,683
Loss on sale Fixed Assets	-	2,921,152
Donation	49,854	423,386
Total Administrative Expenses (III)	71,845,315	70,403,538
IV Other Expenses Written off		
written off of deferred revenue brand promotion		1,767,416
Preliminary Expenses. Written- off		-
Total Expenses Written off (IV)	-	1,767,416
Total Other Expenses (I+II+III+IV)	1,198,591,913	1,209,150,665
Auditor Remunerations		
Audit Fees	485,000	440,000
Certification & Others	65,620	-
Reimbursement of Expenses	27,750	17,820
	578,370	457,820

	2012-13	2011-12
22. Earning per share		
Basic Earnings		
a) Calculation of weighted average number of equity shares of ₹10 each		
Number of equity shares at the beginning of the year	22,997,741	22,997,741
Equity shares at the end of the year	22,997,741	22,997,741
Weighted average number of equity shares outstanding during the year	22,997,741	22,997,741
b) Net Profit after tax available for equity share holders	340,573,654	408,923,581
c) Basic earnings per share	14.81	17.78
d) Nominal value of share	10	10
Diluted Earnings		
a) Calculation of weighted average number of equity shares of ₹10 each		
Number of equity shares at the beginning of the year	22,997,741	22,997,741
Equity shares at the end of the year	22,997,741	22,997,741
Weighted average number of equity shares outstanding during the year	23,204,371	22,997,741
b) Net Profit after tax available for equity share holders	340,573,654	408,923,581
c) Diluted earnings per share	14.68	17.78
d) Nominal value of share	10	10
Reconciliation of equity shares considered between Basic and Diluted Earnings per share:		
Description		
Weighted average number of equity shares considered for Basic Earnings	22,997,741	22,997,741
Add: Equity shares to be issued on CCCPS	179,442	-
Add: Equity shares to be issued on Share Warrants	27,188	-
Weighted average number of equity shares considered for Diluted Earnings	23,204,371	22,997,741

23. Taxes on Income

- Current tax is the provision made for the MAT payable during the year in accordance with the provisions u/s 115JB of the Income Tax Act, 1961
- Current Tax is determined as per the provisions of the Income Tax Act, 1961 in respect of Taxable Income for the year. 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 and Deferred Tax Liabilities are computed by applying tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet Date.

Calculation of Deferred Tax Liabilities

Closing WDV as per Co. Act	4,151,628,487
Closing WDV as per I.T. Act	2,967,656,980
Difference	1,183,971,507
Tax on above (@32.45%)	384,198,754
Less: Opening Deferred Tax Liability	308,790,505
Current Year Deferred Tax Liability	75,408,249

24. Information pursuant to AS 19 issued by ICAI relating to operating lease :

The minimum lease payment under non-cancelable operating lease

	Not later than 1 year	Later than 1 Year not later than 5 years	Later than 5 Years
	(Figure in ₹ per annum)		
Land & Building	3000000		9927000

During the year Lease Rent has been debited to Profit & Loss account amounting to ₹1,63,36,086/-

(Figures for Previous Year was ₹1,48,85,128/-)

25. Related party disclosures as required in terms of "Accounting Standard - 18" are given below :

- Key Management Personnel
Sh. Ajay K. Swarup
- Associate Companies
M/s Biotech India Limited
M/s Rajasthan Distilleries Pvt. Ltd.
M/s Associated Distilleries Ltd.
M/s Chandbagh Investments Ltd. (No transaction done during the year)

(₹ in lacs)

Description	Key Management Personnel		Associate Companies	
	For the year ending 31st March 2013	For the year ending March 31, 2012	For the year ending 31st March 2013	For the year ending March 31, 2012
Salary and other allowances	62.40	55.29	-	-
Lease Rental Transaction with Associate Companies	-	-	105.27	106.20

26. Capital and Other Commitments

(₹ in lacs)

	2012-13	2011-2012
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	242	515.94

27. Contingent Liabilities not provided for:-

- Contingent Liabilities not provided in the book of account of ₹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 Ltd.
- Bank Guarantees issued by the Company in favour of various parties amounting to ₹1,378,820/-

28. Deferred Revenue Expenditure

“Deferred revenue- Brand Promotion Expenses” appearing in Asset side in the Balance Sheet are the expenditure incurred on promoting company's new IMFL brands already launched during the year 2007 and which have perpetual benefit to the company and thus it was shown under the head Deferred revenue- Brand Promotion Expenses, which is being written off in five years & the current year being the fifth year, thus it is fully written off.

29. SSI Liabilities

As explained, there is no amount due to small-scale industries over ₹ 1 lac shown under the head “sundry Creditors”

30. Balances of Debtors, Creditors and Advances to and from parties are subject to Reconciliation and confirmation.**31. 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.****32. The profit & loss account and Balance sheet comply with Accounting Standard referred to in section 211 (3C) of the Companies Act, 1956****33. Insurance claim which are of not significant value are accounted for on receipt basis.****34. An Inter unit transaction of ₹6075.51lacs for the FY2012-13 (₹5045.25lacs for the FY2011-12) towards generation & consumption of steam & energy has been deducted from total turnover & also deducted from manufacturing expenses under the sub-heading consumption of power & fuel. However till the period ending 31st December 2012, we used to include the figure for “generation & consumption of steam & energy” in the turnover side & consumption of power & fuel side. Hence the new practice has been adopted & given effect in the abovementioned quarter ending & year ending results for their proper comparison.****35. Previous year figures have been regrouped where necessary to conform to revised schedule VI requirement**

For and on behalf of the Board of Directors

For **B.M.Chatrath & Co.**
FRN : 301011E
Chartered Accountants

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

Sd/-
Manik Lal Dutta
Director
DIN- 00769308

Sd/-
Umesh C. Pandey
Partner
M.No. : 55252

Sd/-
Santosh Kumar Pattanayak
Company Secretary
ACS-18721

Sd/-
Bhaskar Roy
Director Finance & CFO
DIN- 02805627

Place: New Delhi
Date: 20/05/2013

36. 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)	84,400,000	BL Per Annum
Installed Capacity (Rectified Spirit)	84,400,000	BL Per Annum

B Quantitative Details

	Current Year 2012-13 Quantity				Previous Year 2011-12 Quantity		
a) Production							
Industrial Alcohol (Beh)	8,941,065	BL			13,352,504	BL	
Industrial Alcohol (Sam)	47,229,943	PL			24,620,014	PL	
Industrial Alcohol (Hisar)	14,015,950	PL			12,499,544	PL	
ENA	16,196,043	BL			9,364,836	BL	
Country Liquor (Sam)	3,718,109	Cases			5,562,140	Cases	
Country Liquor(Beh)	4,230,360	Cases			4,107,130	Cases	
Country Liquor(Hisar)	2,190,487	Cases			2,979,839	Cases	
IMFL -ABD	701,040	Cases			808,959	Cases	
IMFL -UNITS	237,017	Cases			531,548	Cases	
b) Opening Stock							
BLEND			Value(₹)		Quantity		Value(₹)
CL-Blending Stock- Sam.	101082	PL	2,257,832		115089.5	PL	2365738
C/L Blend (Behror)	833001	BL	11,462,813		223461	BL	2780372
C/L Blend (Hisar)	71450.5	PL	1,770,378		64351	PL	1483722
IMFL-Blend-Behror	428798	BL	7,994,553			BL	
IMFL-Malt Blend-Behror	-	BL	-		740	BL	89111
IMFL-Blend-Sam.	64590	PL	1,509,606		196609.28	PL	4426404
IMFL-Blend-Hisar	73357.62	PL	1,760,635		95882	PL	2072555
Finished Goods							
Industrial Alcohol (Beh)&Othrs.	1222464	BL	44,985,424		598243	BL	19704080
Industrial Alcohol (Sam)	2476679.11	PL	54,551,700		682721.08	PL	13807694
Industrial Alcohol (Hisar)	1338122.11	PL	32,115,874		888020	PL	18754988
ENA	625056	BL	24,251,533		233200	BL	8147211
CL-Bottled Stock (Sam)	73886	PL	2,776,681		56705	PL	1948586
CL-Bottled at Behror	46995	Cases	11,705,791		10574	Cases	2525759
CL-Bottled- (Hisar)	169051	PL	7,062,403		113274	PL	4295205
IMFL-Bottled -Other Units	39645	Cases	16,901,250		51729	Cases	24064426
CL Stock - Delhi Godown	30600	Cases	15,420,400		61600	Cases	12381600
IMFL-Bottled-Behror	7144	Cases	2,717,443		2165	Cases	758911
IMFL-Bottled-(Hisar- Delhi Godown)		PL			146700	PL	5856264
			239,244,316				125,462,626
Raw Material							
Raw Material							
Molasses (Behror)	1331.4	QTL	602,643		1331.4	QTL	602,643
Molasses (Hisar)		QTL			323	QTL	207,510
Bajra/ Rice Flour (Behror)	33391	QTL	37,579,197		34912.24	QTL	34,949,677
Bajra/ Rice Flour (Samalkha)	41874.7	QTL	45,816,683		37806.73	QTL	37,672,375
Bajra/ Rice Flour (Hisar)	6824.66	QTL	7,627,008		7005	QTL	7,213,521
Raw Material (Others)-Beh.			345,559				5,271,345
Raw Material (Others)-Sam.			1,289,291				2,106,013
Raw Material (Others)-Units			5,036,856				6,952,564
Raw Material (Others)-Hisar.			1,262,263				3,295,529
			99,559,500				98,271,177
c) Closing Stock							
Raw Material							
Molasses (Behror)	0	QTL	-		1331.4	QTL	602,643
Bajra/ Rice Flour (Behror)	28,733.42	QTL	36,414,435		33391	QTL	37,579,197
Bajra/ Rice Flour (Samalkha)	35361.55	QTL	45,609,228		41874.7	QTL	45,816,683
					Quantity		Value (₹)
Bajra/ Rice Flour (Hisar)	0	QTL	-		6824.66	QTL	7,627,008
Raw Material (Others)-Beh.			562,723				345,559
Raw Material (Others)-Sam.			1,060,860				1,289,291
Raw Material (Others)imfl-Units			1,878,469				5,036,856
Raw Material (Others)-Hisar.			2,788,828				1,262,263
			88,314,543				99,559,500

	Current Year 2012-13 Quantity				Previous Year 2011-12 Quantity		
BLEND							
CL-Blending Stock- Sam.	137508	PL	3,514,438		101082	PL	2,257,832
C/L Blend (Behror)	136439.82	BL	2,052,460		833001	BL	11,462,813
C/L Blend (Hisar)	124,480.50	PL	3,063,933		71450.5	PL	1,770,378
IMFL-Blend-Behror	105020	BL	2,546,687		428798	BL	7,994,553
IMFL-Malt Blend-Behror	-	BL	-		-	BL	-
IMFL-Blend-Sam.	141182.97	PL	3,585,599		64590	PL	1,509,606
IMFL-Blend-Hisar	90,212.00	PL	2,111,212		73357.62	PL	1,760,635
Finished Goods							
Industrial Alcohol (Beh)&Othrs.	1676882.8	BL	67,961,445		1222464	BL	44,985,424
Industrial Alcohol (Sam)	970242.76	PL	24,569,276		2476679.11	PL	54,551,700
Industrial Alcohol (Hisar)	1,033,530.94	PL	24,187,500		1338122.11	PL	32,115,874
ENA	175041	BL	7,356,700		625056	BL	24,251,533
CL-Bottled Stock (Sam)	29169	PL	1,221,345		73886	PL	2,776,681
CL-Bottled at Behror	60709.88	Cases	15,521,029		46995	Cases	11,705,791
CL-Bottled- (Hisar)	15498	PL	683,429		169051	PL	7,062,403
IMFL-Bottled -Other Units	22377	Cases	8,217,689		39645	Cases	16,901,250
CL Stock - Delhi Godown	28848	Cases	5,134,944		30600	Cases	15,420,400
IMFL-Bottled-Behror	10450	Cases	4,430,369		7144	Cases	2,717,443
IMFL-Bottled-(Hisar- Delhi Godown)		PL				PL	
			176,158,055				239,244,316
d) Sales							
Industrial Alcohol (Beh)	1,760,000.00	BL	73,452,000	41.73	2994536	BL	116,759,600
Industrial Alcohol (Sam)		PL	843,057,723	25.93	16934860.92	PL	385,561,365
	32,511,264.94						
Industrial Alcohol (Hisar)	6,780,952.06	PL	157,394,957	23.21	5018145.34	PL	190,386,167
Industrial Alcohol - Export	275,000.00	BL	13,433,701		1200000	BL	52,008,428
ENA		BL	524,003,237	42.73	6,624,328.00	BL	260,311,216
	12,262,347.00						
Bottled - IMFL- ABD	697735	Cases	1,219,886,208	1,748.35	803960	Cases	1,331,329,718
Bottled-IMFL UNITS	262611	Cases	279,993,974	1,066.19	534486	Cases	444,269,303
Bottled- Country Liquor(Sam)	3724550	Cases	1,178,627,440	316.45	4834000	Cases	1,414,731,306
Delhi-Country Liquor	869932	Cases	192,031,630	220.74	1145249	Cases	241,985,038
C/L-Bottled Behror	4216645	Cases	1,189,872,827	282.18	4070709	Cases	1,076,717,685
C/L-Bottled- (Hisar)	1416260	Cases	452,093,492	319.22	2337300	Cases	705,490,785
Export Sale-IMFL	2163	Cases	1,319,307		0		0
Sale -Spent Grain			241,554,189				129,020,370
Organic Mannure			234,012,350				181,610,800
Biogas Sale			-				76,429,260
Sales (others)			37,522,596				26,379,685
			6,638,255,631				6,632,990,726
e) Raw Material consumed							
Bajra/ Rice Flour- Samalkha	673274.51	QTL	868,387,570	1,289.80	593384.76	QTL	649,244,564
Bajra/ Rice Flour-Behror	590769.92	QTL	748,694,466	1,267.32	531535.3	QTL	598,205,197
Bajra/ Rice Flour-Hisar	206633.61	QTL	257,674,191	1,247.01	306214.34	QTL	342,214,740
Molasses- Behror	1331.4		602,643				
Rectified Spirit -othr-Units	360000	BL	15,909,782		0	BL	25,904,606
Rectified Spirit (Beh.)	1292000	BL	48004774	37.16	1660600		62090426
Rectified Spirit (Sam)	1,537,000	BL	52,567,800	34.20	3735485	PL	86,127,180
Rectified Spirit (Hisar)	1640000	BL	59,584,000	36.33	800112	PL	18,232,096
Rectified Spirit (IMFL)BDA	2737347	BL	116,893,237	42.70	3300328	BL	121,817,215
Raw Material- Export Div.)	2163	cases	1,428,872	660.60	1200000	BL	25,140,000
Raw Material -Othrs-imfl Units			3,709,125				20,894,321
Raw Material Others			32,768,464				26,363,474
			2,206,224,924				1,976,233,819

Cash Flow Statement

as on 31-03-2013

	(In ₹)	
	For the Year ended March 31, 2013	For the Year ended March 31, 2012
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before Tax, Adjustment for prior period and extra ordinary activities		
Adjustment for:-	522,017,171	577,513,733
Depreciation	164,893,543	122,965,703
Interest Paid	63,312,050	48,230,530
Dividend Income	(20,300)	(59,971)
Loss / profit on Sale of Fixed assets	-	2,921,152
Other Income	(4,159,260)	(1,410,505)
Preliminary & Other Expenses w.off	-	1,767,416
Interest Received	(6,053,928)	(4,839,857)
Operating Profit before Working Capital Changes-	739,989,276	747,088,201
Adjustment for:-		
Inventories	112,505,039	(135,834,505)
Sundry Debtors	(68,005,033)	(132,750,433)
Other Current Assets	112,993,259	22,962,644
Current Liabilities & other payable	(110,463,357)	467,600,369
NET CASH FROM OPERATING ACTIVITIES (A)	787,019,184	969,066,276
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Addition in Fixed Assets	(1,127,572,343)	(1,203,448,179)
Increase In Deferred Revenue Expenditure		
Addition in Investment		
Sale Proceeds of Fixed Assets	-	4,200,311
Misc. Income	4,159,260	1,410,505
Interest Received	6,053,928	4,839,857
Dividend Received	20,300	59,971
NET CASH USED IN INVESTING OPERATING ACTIVITIES (B)	(1,117,338,855)	(1,192,937,535)
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Interest Paid	(63,312,050)	(48,230,530)
Income Tax Paid	(1,200,000)	(139,401,155)
Increase / (Decrease) in Long Term Bank Borrowings	(97,516,494)	418,622,512
Increase / (Decrease) in other Long Term Loans & Advances	1,317,574	
Increase in share capital & general reserve	730,861,085	10,800,000
NET CASH USED IN FINANCING ACTIVITIES (C)	570,150,115	241,790,827
Net Increase/Decrease in Cash & Cash Equivalents (A+B+C)	239,830,444	17,919,568
Cash & Cash Equivalents at the begning of the year	72,506,113	54,586,545
Cash & Cash Equivalents at the closing of the year	312,336,557	72,506,113

As per our report of even date
For **B.M.Chatrath & Co.**
FRN : 301011E
Chartered Accountants

Sd/-
Umesh C. Pandey
Partner
M.No. : 55252
Place: New Delhi
Date: 20/05/2013

Sd/-
Ajay K. Swarup
Managing Director
DIN- 00035194
Sd/-
Santosh Kumar Pattanayak
Company Secretary
ACS-18721

For and on behalf of the Board of Directors
Sd/-
Manik Lal Dutta
Director
DIN- 00769308
Sd/-
Bhaskar Roy
Director Finance & CFO
DIN- 02805627

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 2013 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.

Place : New Delhi
Date : 20th May 2013

For **B.M. CHATRATH & Co.**
Chartered Accountants
FRN:301011E
Sd/-
Umesh C. Pandey
(PARTNER
Membership No. :55252

Notice

NOTICE is hereby given that the **Twentieth Annual General Meeting** of the Members of the Company will be held on Wednesday, 25th September, 2013 at 11:00 A.M. at Delton Hall, 2, Institutional Area, 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, 2013, 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 Sh. Gautam Premnath Khndelwal, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sh. Rajesh Kumar Malik, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Sh. Rameshwar Dayal Aggrawal, who retires by rotation and, being eligible, offers himself for re-appointment.
6. 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 and passing following resolution in this regards

“RESOLVED THAT M/s Delloite Haskins & Shell, Chartered Accountants, having their office at 7th Floor, Building 10, DLF Cyber City Complex, DLF City Phase-II, Gurgaon-122002 having Firm Registration No. 015125N be and is hereby appointed as the auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting on such remuneration as may be decided by Sh. Ajay K. Swarup, Managing Director of the Company in consultation with them in place of M/s B. M. Chatrath & Co., Chartered Accountants, New Delhi, Auditors of the Company who has expressed their unwillingness to continue as the Auditors and opted not to be re-appointed as auditors of the Company in this Annual General Meeting.”

Special Business:

7. To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution**

“RESOLVED THAT Sh. Rajesh Sehgal, who was appointed by the Board of Directors as Additional Director w.e.f. 19th March, 2013 and designated as Non-executive & Independent Director of the company and who holds office pursuant to Section 260 of the Companies Act, 1956 (hereinafter referred to as “the Act”) up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of a Director pursuant to Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, not liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Joylin Jain, Company Secretary of the Company be and is hereby authorized to file necessary e-Form 32 and other information as may be required in this regard with the ROC, New Delhi and such other authorities as may be required.”

8. 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:**

“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 of the Members be and is hereby 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: ₹39,689/- per month with suitable increases as determined by the Board.

HRA: ₹15,876/- per month with suitable increases as determined by the Board.

Special Allowance: ₹22,428/- per month with suitable increases as determined by the Board.

Conveyance Allowance: ₹6,000/- 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 ₹10lakhs.
- (ii) **Bonus** as per company's rules and regulations.
- (iii) **Provision** of car with driver for use of company's business and for private purpose.
- (iv) **Telephone** facility for use of company's business purpose.
- (v) **Earned / Privilege Leave :** One month's leave with full pay and allowances for every 11 months of service subject to the condition that leave accumulated but not availed of will not be allowed to be encashed.

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

RESOLVED FURTHER THAT Sh. Joylin Jain, Company Secretary of the company be and is hereby authorized to file necessary returns with the ROC, if required and to do all such

things and deeds as required from time to time to give effect to the above resolution.”

9. Increase in the remuneration of Dr. Bhaskar Roy, Executive Director & CFO 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 of the Members be and is hereby accorded to the increase in the remuneration of Dr. Bhaskar Roy, who was appointed as Executive Director & CFO of the company w.e.f. 09th September, 2010. His present monthly remuneration is as under:

Basic Salary: ₹1,06,000/- per month with suitable increases as determined by the Board.

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

Medical Reimbursement: ₹1,250/- per month with suitable increases as determined by the Board

Special Allowance: ₹15,250/- per month with suitable increases as determined by the Board.

Variable Pay: ₹33,125/- per month with suitable increases as determined by the Board

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

Perquisites:

In addition to the above Dr. Bhaskar Roy 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 ₹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. Joylin Jain, Company Secretary of the company be and is hereby authorized to file necessary returns with the ROC, if required and to do all such things and deeds as required from time to time to give effect to the above resolution.”

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 of Members be and is hereby 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: ₹32,744/- per month with suitable increases as determined by the Board.

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

Transport Allowance: ₹3,630/- per month with suitable increases as determined by the Board.

Special Allowance: ₹9,682/- per month with suitable increases as determined by the Board.

Variable Pay: ₹13,340/- 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 ₹10lakhs.

(ii) Bonus as per company's rules and regulations.

(iii) Provision of car with driver for use of company's business and for private purpose.

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

(v) **Earned / Privilege Leave :** One month's leave with full pay and allowances for every 11 months of service subject to the condition that leave accumulated but not availed of will not be allowed to be encashed.

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

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

11. 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 of Members be and is hereby accorded to the increase in the remuneration of Sh. Manik Lal Dutta, who was re-appointed as Executive Director of the company w.e.f. 01st August 2012. His present monthly remuneration is as under:

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

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

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

Medical Reimbursement: ₹1,250/- per month with suitable increases as determined by the Board

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

Special Allowance: ₹5,600/- per month with suitable increases as determined by the Board.

Variable Pay: ₹23,200/- per month with suitable increases as determined by the Board.

Perquisites:

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

- (i) Gratuity not exceeding half month's salary for each completed year of service subject to a ceiling of ₹10lakhs.
- (ii) Bonus as per company's rules and regulations.
- (iii) Provision of car with driver for use of company's business and for private purpose.
- (iv) Telephone facility for use of company's business purpose.
- (v) Earned / Privilege Leave :One month's leave with full pay and allowances for every 11 months of service subject to the condition that leave accumulated but not availed of will not be allowed to be encashed.

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

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

12. To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution**

"RESOLVED THAT in suppression of the resolution passed by the shareholders of the Company in Annual General Meeting held on 31st October, 2011 and pursuant to provisions of Section 293(1)(d) and other applicable provisions, if any, of Companies Act, 1956 and Articles of Association of the Company, as applicable if any, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time any sum or sums of money, which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not exceed ₹ 350 Crores (Rupees Three Hundred Fifty Crores Only) irrespective of the fact that such aggregate amount of borrowing at any one time may exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any purpose."

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

"RESOLVED THAT pursuant to the provision of Section 293(1) (a) and other provisions, as applicable, if any, of the Companies Act, 1956 and Article of Association of the Company, as applicable if any, the consent of the Members of the Company be and is hereby accorded to create mortgage and/or charge, on such terms and conditions and at such time(s) and in such form and manner, and with such ranking as to priority as the Board or Committee thereof, in its absolute discretion may deem fit, on the whole or substantially the whole of the Company's anyone or more of the undertakings or all of the undertakings, including present or future properties, whether immovable or movable assets, comprised in any undertaking of the Company, as may be agreed to in favour of the Bank(s), Financial Institution(s) or other person(s), hereinafter referred to as the lenders, and/or Trustee(s) to secure borrowing upto the limits delegated to the Board or Committee thereof, by the Shareholders from time to time, together with interest at the respective agreed rates by issue of non-convertible debentures, bonds, terms loans, and /or other instruments including foreign currency borrowings, as the Board may deem fit, to be issued in one or more tranches, to India/foreign banks, institutions, investors, mutual funds, companies, other corporate bodies, resident/non-resident investors, foreign nationals, and other eligible investors, and upon such terms and conditions, as may be decided by the Board, including any increase as a result of devaluation/revaluation or fluctuation in the rates of exchange, together with interest, at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and other monies covered by the aforesaid financial assistance under the respective documents, entered into by the Company in respect of the said debentures/bonds/terms loans/other instrument(s) in terms of their issue.

RESOLVE FURTHER THAT the securities to be created by the Company as aforesaid may rank prior/pari passu/subsequent with/to the mortgage and/or charges already created or to be created in future by the Company and as may be agreed to between the concerned parties.”

By Order of the Board
For Globus Spirits Limited

Place : New Delhi
Date : 10/08/2013

Sd/-
(Joylin Jain)
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK FORM OF PROXY IS SEPARATELY ANNEXED.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business is annexed hereto.
3. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
4. Members are requested to notify immediately any change in their address to the Registrar & Transfer Agent of the Company quoting their Folio Number to the following address:
Link Intime India Pvt. Ltd.
44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi-110028
5. 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.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 14th September, 2013 to 25th September, 2013 (both the days inclusive).
7. 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.
8. Details of the Directors seeking appointment/reappointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement):

Name	Sh. Gautam Premnath Khandelwal	Sh. Rajesh Kumar Malik	Sh. Rameshwar Dayal Aggrawal	Sh. Rajesh Sehgal
Age	51 Years	57 Years	58 Years	42 Years
Qualifications	B A (Economics)	B.Sc., Diploma in Business Management	M.Sc (Organic Chemistry), Graduate in Alcohol Technology from National Sugar Institute, Kanpur	PG Diploma in Business Management from XLRI Jamshedpur and CFA
Expertise in specific functional area	Prominent Industrialist having wide business experience.	He is adept in the art of blending operations and product development in all varieties such as whisky, rum, brandy, IMFL etc.	He is conversant with process of fermentation, distillation, blending, etc.	He is a Financial Analyst and expert in finance and business management.
Date of appointment as Director of the Company	16.02.1993	01.12.2006	01.12.2006	19.03.2013
Directorship of other companies #	1. Nagpur Power & Industries Limited 2. Infomred Technologies India Limited 3. Globus Spirits Limited	NIL	NIL	1. Apar Industries Limited
Chairman/Member of Committees of other Companies+	3	NIL	NIL	NIL
No. of shares held*	33	490	NIL	NIL
Inter-se relationship with other Directors	NIL	NIL	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 31/03/2013.

9. The Company has paid the listing fees for year 2013-14 to both the Stock Exchanges i.e. NSE and BSE, where its' securities are listed.

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

ITEM No. 7

The Board had appointed Sh. Rajesh Sehgal, nominated pursuant to the Share Subscription and Shareholders Agreement entered between the Promoters of the company, as defined therein, and the Company and M/s Templeton Strategic Emerging Markets Fund IV, LDC, (Templeton) by Templeton, as an Additional Director w.e.f. 19th March, 2013. As an additional director, he holds office till the date of the forthcoming Annual General Meeting. Hence to be continued in the Board of Directors, as the nominee of the Templeton, he needs to be regularized in the AGM.

As required, notice under section 257 of the companies Act, 1956 has been received from Templeton proposing the name of Sh. Rajesh Sehgal for the office of Director of the company. Accordingly, the Board recommends the resolution to be passed by the shareholders as per the requirements of the Companies Act, 1956.

Further in terms of Article 113B of Articles of Association of the Company Sh. Rajesh Sehgal shall not be subject to retire by rotation.

one of the Directors except Mr. Rajesh Sehgal is interested in the resolution that too as nominee of the Templeton.

ITEM No. 8

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. 9

Your Board of Directors proposes to increase the remuneration of Dr. Bhaskar Roy, the Executive Director & CFO 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 Dr. Bhaskar Roy 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 Dr. Bhaskar Roy 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 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. 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. 12

As the Members are aware that the Company is undertaking expansion of its business and planning to set up new projects in eastern region in Bihar, Jharkhand and West Bengal as well for which Company requires funds.

The members in Annual General Meeting held on 31st October, 2011 authorised the Board to borrow from time to time up to an amount not exceeding ₹ 200 Crores. But keeping in view the expansion as planned the Company's requirement of funds including the long term working capital and other corporate requirements of the Company, the approval of the Shareholders is sought in terms of Section 293(1)(d) of the Companies Act, 1956 for increasing the borrowing powers of the Board of Director of the Company to an aggregate of ₹ 350 Crores (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) from the present limit of ₹ 200 Crores. Your Directors proposes the resolution for your approval as Ordinary Resolution.

None of the Directors of the Company is deemed to be concerned or interested in the resolution

ITEM No. 13

The Company time to time requires to create security in favour of the lenders who extends financial assistances to the Company to meet its funds requirement by mortgaging or creating charge on the Company or its immovable and movable properties in their favour.

Section 293(1)(a) of the Companies Act, 1956 inter-alia provides that the Board of Directors of a public Company shall not, without the consent of the Company sell, lease, or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where company owns more than one undertaking, of the whole, or substantially the whole of any such undertakings.

Since creating mortgage and /or charge by the Company on its immovable and/or movable properties in favour of the aforesaid lenders may be regarded as disposal of the same, it is necessary to obtain the approval of the members under Section 293(1)(a) of the Companies Act, 1956 before creation of the said mortgage/charge. Hence this resolution.

None of the Directors of the Company is deemed to be concerned or interested in the resolution.

By Order of the Board

For Globus Spirits Limited

Sd/-

(Joylin Jain)

Company Secretary

Place : New Delhi
Date : 10/08/2013

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 20th
Annual General Meeting of the Company to be held on Wednesday, the 25th September, 2013 at 11:00 A.M. at Delton Hall, 2, Institutional
Area, 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.

Please cut here

GLOBUS SPIRITS LIMITED

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

ATTENDANCE SLIP

I hereby record my presence at the 20th Annual General Meeting of the Company held on Wednesday, the 25th September, 2013 at 11:00 A.M. at Delton Hall, 2, Institutional Area, Lodhi Road, New Delhi-110003

Name of the attending Member
(in Block Letters)

Name of Proxy (in Block Letters)
(to be filled in, if the proxy attends instead of the member)

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.

To
The Secretary
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Fort
Mumbai – 400 001

Date: 10.08.2013

FORM A

(Pursuant to Clause 31(a) of the Listing Agreement)

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	M/s Globus Spirits Limited
2.	Annual financial statements for the year ended	31st March, 2013.
3.	Type of Audit observation	Un-qualified / <u>Matter of Emphasis</u>
4.	Frequency of observation	Appeared first time.
5.	<p>To be signed by-</p> <ul style="list-style-type: none"> • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman 	

[Handwritten signatures and stamps]

[Circular stamp: CHARTERED ACCOUNTANTS, NOIDA]

[Handwritten signature: Subin]

Globus Spirits Limited

Corporate Office: F-0, Ground Floor, The Mira Corporate Suites, Plot No. 1 & 2, Ishwar Nagar, Mathura Road, New Delhi 110065
Tel.: +91-11-66424600 Fax: 66424629

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

D-103, Ganpati Enclave, Madrampura, Ajmer Road, Jaipur 302006 (Raj.) Tel.: +91-11-4035578 Fax: 4035579

Works(1): Village: Shyampur, Tehsil: Behror 301701 Distt.: Alwar (Raj.) Tel.: +91-1494-516340-41

Works(2): Haryana Organics (A Unit of Globus Spirits Limited) 4 KM., Chulkana Road, Samalkha 132101 Distt.: Panipat (Har.) Telefax: +91-180-2570122

Works(3): Associated Distilleries (A Unit of Globus Spirits Limited) Hisar Bye-Pass, National Highway, Hisar 125044 (Har.) Tel.: +91-1662-291905

E-Mail: corpoffice@globusgroup.in

www.globusspirits.com