



ENabling Excellence

Globus Spirits Limited
2013-14 Annual Report



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Corporate Information

Chairman

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

Managing Director

Mr. Ajay Kumar Swarup

Executive Directors

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

Non-Executive Director

Mr. Rajesh Sehgal

Non-Executive & Independent Directors

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

Auditors:

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

Bankers:

State Bank of India, HDFC Bank, HSBC Bank,
Yes Bank, Standard Chartered Bank

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 expending footprint to newer geographies through own facilities and alliances

ENAbling Organizational excellence through our unique 360° business model, allowing for higher capacity utilization

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

ENAbling Product Excellence

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





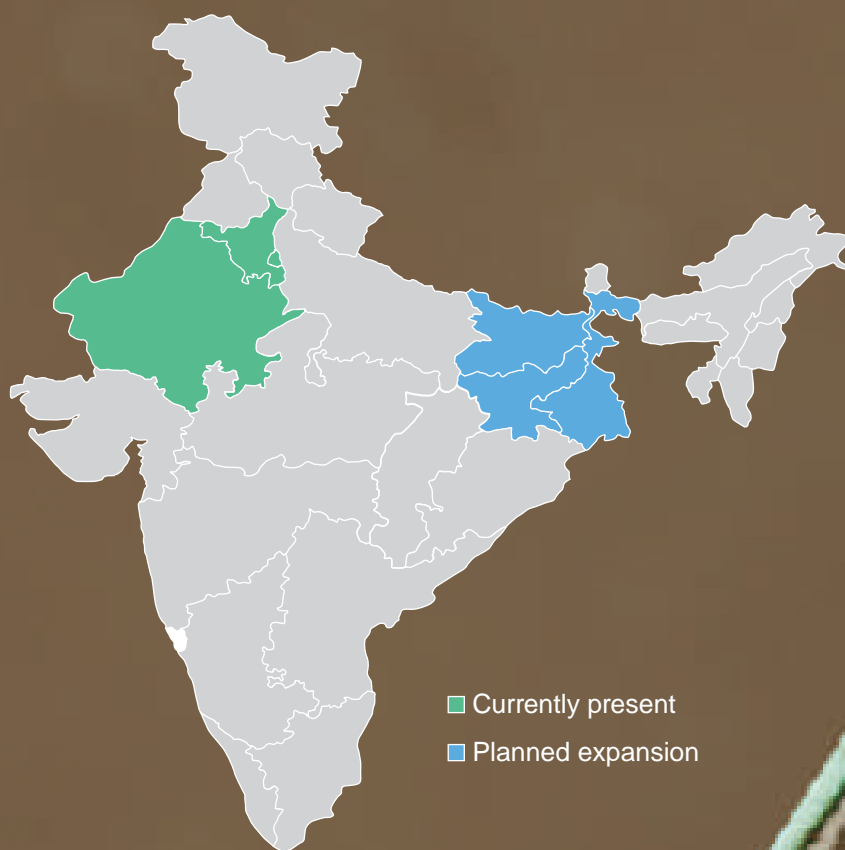
ENAbling Marketing Excellence

Our product excellence has ENAbled us to pioneer branding in the IMIL space with launch of India's 1st ENA based country liquor brand– Nimboo. As a first for the industry, we gave the bottom of the pyramid consumer a better tasting product, along with superior packaging that the consumers otherwise expect from other FMCG 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 high quality brands in the IMFL space; brands which are now beginning to carve a space in the Indian market.

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 projects in the fast-growing East India market are a step 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 degree business model has been perfected over two decades. Our approach allows for greater control on quality of our consumer products and higher utilization of ENA facilities enabling us to generate healthy returns.

RIGHT PARTNERS

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

RIGHT VALUES

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

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

RIGHT TEAM

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







ENAbling Manufacturing Excellence

Our manufacturing facilities are ENAbling excellence by maximising yields from raw material. Our fully 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 ENAbling a clean environment with a zero pollution footprint and cogeneration of power using renewable biomass as fuel.

ENAbled excellence in our manufacturing facilities helped us achieve:

- Over 67 million litres of production with zero discharge
- End to end production of over 10 million cases of bottled beverages
- ~75% utilization of operating capacity, ~50% used in-house for value added products
- More than 5 years of relationship with India's top alcoholic beverage companies.

360° EXPANSION IN FY14

01

STRENGTHENING OF OUR BRANDS

Hannibal Rum brand approved for CSD, sales commenced in FY 2014

Nimboo is market leader in Haryana clear spirits with 50% share

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

02

MAINTAINED DOMINANCE IN IMIL MARKET

Total sales of ~8mn cases in Haryana, Rajasthan and Delhi

03

STRONG GROWTH IN IMFL FRANCHISEE- 33% VOLUME CAGR DURING FY10 TO FY14 TO REACH 2.4MN CASES

Scaled up contracts with United Spirits and ABD during the year



04

ACHIEVED ROBUST PERFORMANCE IN BULK ALCOHOL- 37% VOLUME CAGR DURING FY10 TO FY14

Sustained high utilization levels due to 360° approach

Total operating capacity of ~90mn Bulk Litres of alcohol

05

EXPANDING IMIL FOOTPRINT

Firmed up plans to enter attractive East India IMIL market by replicating the 360° model

Won 5-year exclusive tender for IMIL sales in largest district in Bihar

06

FINANCIAL HIGHLIGHTS

Resilient performance ensuring quick ramp up of new capacities to maintain revenues at ~` 5bn

EBITDA of ` 450mn and PAT of ` 43mn

Sound balance sheet position with debt-equity ratio of 0.3x



Chairman's Message

Your company's unique 360° model proved its mettle as strong growth in the manufacturing segment moderated impact of lower revenues in the Haryana consumer business.

Dear Shareholders,

It is my privilege to present you with our Annual Report for fiscal year 2013-14. Against the backdrop of an extremely difficult operating environment, I am pleased to say your company reported revenues of ₹ 496.5 crore in FY2013-14, a marginal decline of only 1% compared to ₹ 501.7 crore in FY2012-13.

The weakness at the macro level continued through the year as economic growth remained subdued. The Indian consumption story, which held its ground for early part of this decade, faced challenges second year in a row due to persistent high inflation. The alcohol industry also faced the heat. Not only did lower discretionary spend affect demand but also state governments resorted to higher duties to shore up their revenues. Price increase, which is regulated by state governments, was also not in line with cost inflation, further compounding problems for the sector.

This situation was more exacerbated in a few states, including Haryana, a key market for your company. The Haryana market, which witnessed rapid growth during FY09-FY12, experienced shrinking IMIL volumes during the year. Entry of new players further intensified competition in an already weak market, leading to erosion in net realisation. Your company instead focused on brand building, which it had pioneered in IMIL industry with launch of brand 'Nimboo' in 2011. Hence, despite the headwinds, your company successfully maintained its position as 2nd largest player in the state. The strategy of multi-state presence also paid off, as your company achieved steady growth in Rajasthan IMIL market, partly offsetting lower volumes in Haryana market.

Your company's unique 360° model of straddling the entire alcohol value chain proved its mettle as strong growth in manufacturing segment moderated impact of lower volumes in Haryana IMIL business. Your company achieved higher capacity utilization during the year driven by robust performance of manufacturing segment.

Emphasis on operational excellence through improvement in productivity continued during the year, which resulted in mitigating the impact of high inflation in broken rice prices (raw material for alcohol production)

Your company's ongoing expansion plans to fast growing, high alcohol deficit Eastern India-region, will further de-risk growth from state level fluctuations. With lower per-capital-consumption and high percentage of rural and lower income population, the Eastern India states are very attractive markets to be in. Your company was awarded exclusive marketing rights for IMIL in Patna for next five years through tender process, which will mark your company's entry in the lucrative Bihar market in the current financial year.

In this difficult year, your company focused on creating new and sustainable revenue streams. Strong focus on building an exports business, starting off with bulk exports, resulted in a 15-fold growth exports revenue growth. Your company widened its reach to new geographies, receiving much appreciation for quality of its products.

Your company also identified a large market opportunity for value added by-product, Distillers Dried Grains with Solubles (DDGS), a protein rich animal feed product. Already a large industry in the US, DDGS has high potential in both fast growing Indian animal feed market and exports to the Far East. Being amongst the largest grain distillers in the country, your company is well positioned to lead market-creation for DDGS in India.

This financial year has started on a more optimistic note and we are confident of an improved performance across our businesses.

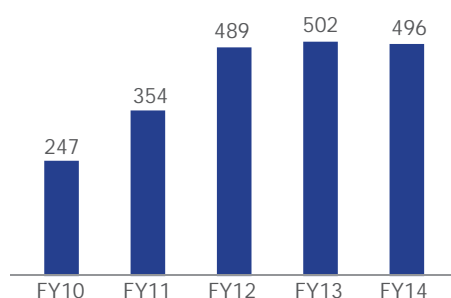
I take this opportunity to thank you all for your continuous support and belief.



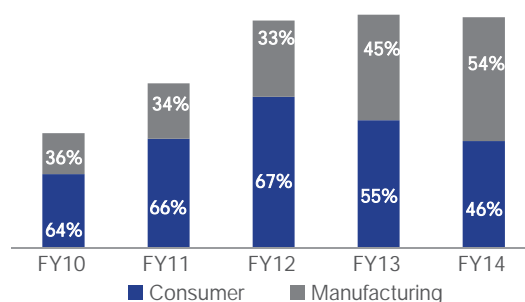
Gautam Premnath Khandelwal
Chairman

Historical Financials

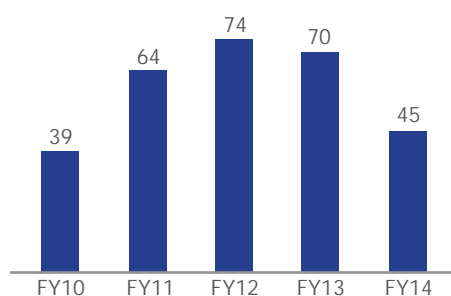
Net Revenues (₹ Crore)



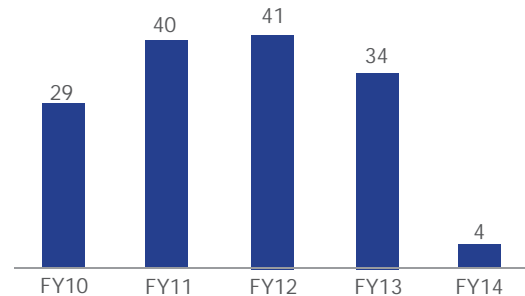
Segment Revenue Split



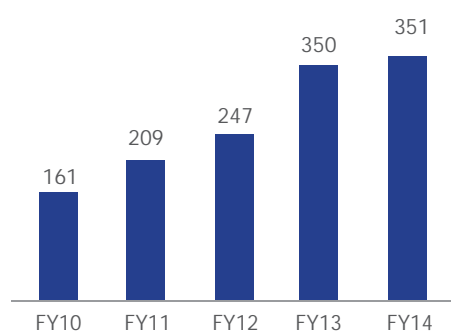
EBITDA (₹ Crore)



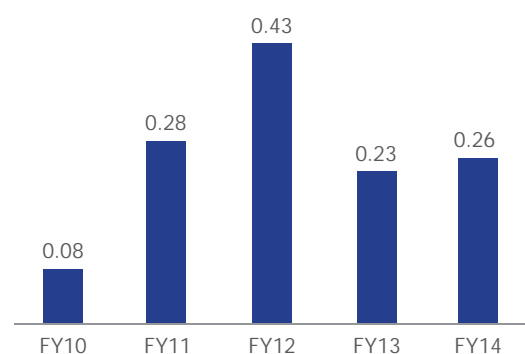
Profit after Tax (₹ Crore)



Net Worth (₹ Crore)



Debt-Equity Ratio (x)



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

Directors' Report

To the Members

Your Directors are pleased to present the Twenty-first Annual Report and Audited Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

Particulars	(` In Lacs)	
	Current Year 2013-2014	Previous Year 2012-2013
Total Revenue	49,939.76	50,666.53
Total Expenses	49,016.30	45,446.33
Profit before Explanatory items & Tax	923.46	5220.17
Profit before tax after extraordinary items	327.11	5220.17
Less: Provision for taxation including Deferred tax	(100.53)	1801.63
Profit/ (Loss) after tax	427.63	3418.54
Basic EPS	0.16	14.81
Diluted EPS	0.15	14.73

PERFORMANCE REVIEW

During the year under review the Total Revenue of the company has been decreased by 1.43% from ` 50,666.53lacs (Previous year) to ` 49,939.76lacs (Current year) and a decline in PBT by ` 4,893.10lacs from the previous year and a decline in PAT by ` 2,990.93lacs from the previous year. The Basic EPS of the company is ` 0.16/- as compared to ` 14.81/- and the diluted EPS of the company is ` 0.15/- as compared to ` 14.73/- in the previous year.

THE YEAR IN PERSPECTIVE

During the year under review, your company was able to post a resilient performance driven by its strategy of straddling the entire alcohol chain. The manufacturing business generated healthy revenue growth of 17% offsetting the dip in consumer revenues to post flat revenues. Bulk alcohol volumes grew by 19% and bottling volumes remained strong at 26% growth. Your company successfully scaled up its contracts with ABD and USL in Rajasthan and Haryana respectively, Jagatjit Industries decided to discontinue and use their own facility in Punjab for cost optimization reasons.

The key challenge during the year was the situation in Haryana market wherein IMIL volumes remained weak and competition intensified with entry of new players. In comparison, the performance in Rajasthan market was encouraging, your company grew by 10% in volume terms and 17% in value.

To counter impact of the negative operating environment, especially in Haryana, your company successfully worked on developing new revenue streams/ markets and improving productivity. Focus on bulk alcohol exports showed good results with 15x growth. Your company did extensive ground work for manufacturing of Distillers Dried Grains with Solubles (DDGS), a value added by-product. Processed from spent grain, the product is rich in protein and is a high margin product with immense potential in the animal feed industry.

Further, your company's efforts at productivity enhancement led to a visible improvement in yields. This helped to maintain technology leadership in alcohol manufacturing and also partially offset the steep rise in raw material prices.

The expansion plans to East India progressed and are well on track for commissioning your company's first distillery in the region in FY2015-16. In a further boost, your company won exclusive rights to manufacture and market IMIL in the Patna municipality for a period of 5 years starting FY2014-15.

Your company strengthened its management systems and audit practices by appointment of Big 4 Auditor and initiating implementation of a robust ERP package. In the immediate term, profitability was impacted because of higher depreciation and intangible amortization. However, your company strongly believes that the introduction of best practices will improve agility and quality of decision-making.

MATERIAL CHANGES AFTER MARCH 31, 2014

In the current financial year 2014-15, your company has successfully launched DDGS out of its facility in Samalkha. There is strong demand for the product, reinforcing your company's commitment to expand capacities and setup a facility in Behror.

DIVIDEND

Your Directors do not recommend any dividend for the financial year 2013-14.

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. Manik Lal Dutta, Executive Director of the company has been proposed to be re-appointed as Executive Director whose period shall be determined by liable to retire by rotation. Mr. Santosh Kumar Bishwal, Mr. Joginder Singh Dhamija, Sh. Vivek Gupta, Sh. Kunal Agarwal and Mr. Gautam Premnath Khandelwal have been proposed to be appointed as Independent Directors of the company for a term of five consecutive years from the date of this Annual General Meeting until the conclusion of twenty Sixth Annual General Meeting of the Company.

Dr. Bhaskar Roy, Executive Director & CFO of the company and Sh. Shekhar Swarup, Executive Director of the Company, retire by rotation and being eligible offer themselves for re-appointment. The Board recommends their re-appointment.

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

The Company, in terms of Section 139 (1) and (2) of the Act 2013, is required to appoint statutory auditors for a term of five consecutive years and ratify their appointment, during the period, in every annual general meeting by an ordinary resolution. M/s Deloitte Haskins & Sells, Firm Regn No. 015125N, Chartered Accountants, having their office at 7th Floor, Building 10, DLF Cyber City Complex, DLF City Phase-II, Gurgaon-122002, Haryana who were earlier appointed as statutory auditors of the Company, at the last Annual General Meeting and retire at the conclusion of the forthcoming Annual General Meeting and being eligible to be appointed for a period of the first term of five consecutive years, subject to ratification

at every annual general meeting in terms of the Companies Act 2013, offer themselves for re-appointment. They have furnished a certificate to the effect, that the re-appointment, if made, will be in accordance with section 141 of the Companies Act, 2013. The audit committee and board reviewed their eligibility criteria, as laid down under Section 141 of the Act 2013 and recommended their appointment as auditors for the aforesaid period.

AUDITORS' REPORT

The Auditors in their Report to Members, have given a qualification and the response of your Directors with respect to it as follows :-

During the current period the expenses incurred on brand promotion were expensed off, however up to 31st March 2013 the same were being capitalized since the brands were under establishment during that period. Further during the year an amount of ` 721.65Lacs has been debited to Statement of Profit and Loss to amortise these assets over 5 years. Had the same been fully expenses off as of 31/03/2014, Fixed Assets as at March 31, 2014 would have been lower by ` 2,886.60Lacs , Depreciation and amortization expense for the year would be lower by ` 721.65Lacs, Net profit after taxes for the year would be converted into net losses after tax of ` 1,477.82Lacs and Reserves and Surplus would be lower by ` 1,905.45Lacs.

COST AUDIT

The board subject to the approval of the Central Government, has re-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, as Cost Auditor for conducting the Cost Audit for the financial year 2014-15. The audit committee recommended his appointment and remuneration. The Company has also received necessary certificate under Section 141 of the Act 2013 conveying his eligibility for re-appointment. The remuneration fixed by the board, based on the recommendation of the audit committee is required to be ratified by the members at the AGM as per the requirement of Section 148(3) of the Act 2013.

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:-

SI NO	Name	Age	Designation	Remuneration received (₹)	Qualification	Experience In years	Date of Commencement of employment	Particulars of last employment
1	Sh. Ajay K. Swarup	55 Years	Managing Director	47,70,000/-	PGDBM (IIM, Kolkata)	30	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 him 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 for a period of 5 years 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 2013-14, the applicable Accounting Standards have been followed along with explanation relating to material departures, if any.
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a

true and fair view of the State of Affairs of the Company as at 31st March, 2014 and of the results of the Company for that period.

3. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 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 2013-14 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/-
(Dr. Bhaskar Roy)
**Executive Director
& CFO**

Sd/-
(Ajay K. Swarup)
Managing Director

Place: New Delhi
Date: 14/08/2014

Annexure I

to the Directors' Report 2013-14

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)	
	2013-2014	2012-2013
Foreign Exchange earnings	2,010.97	151.38
Foreign Exchange used	NIL	NIL

For and on behalf of the Board of Directors

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

Sd/-
(Ajay K. Swarup)
Managing Director

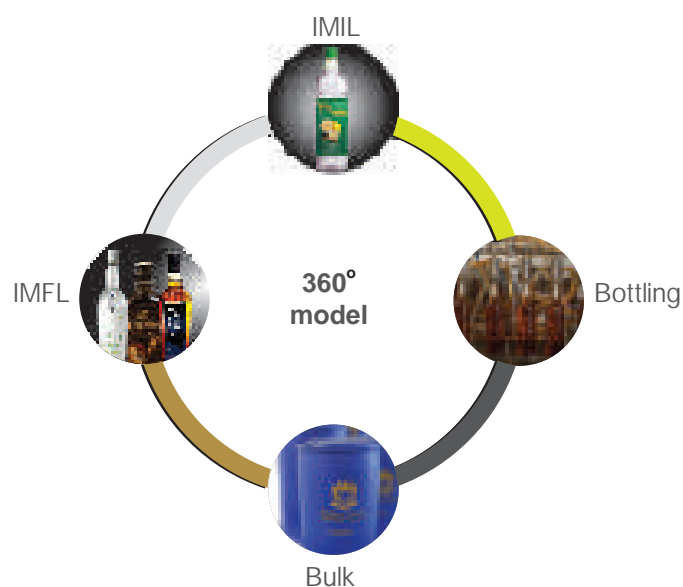
Place: New Delhi
Date: 14/08/2014



Management Discussion & Analysis

Fiscal year 2013-14 was a challenging year with growth at both global and domestic level remaining subdued. The Indian economy faltered on various fronts – persistent inflation, high fiscal deficit, sluggish industrial growth and a large current account deficit. Though the free fall in GDP growth was arrested and growth rate improved from 4.5% in FY2012-2013 to 4.7% in FY2013-14, lack of effective policy-making and ground level implementation took a toll on consumer and business confidence.

The Indian consumption story was hurt by the high level of inflation, particularly food inflation which reached a staggering 16.6% in September 2013. The persistent high



inflation has been eating into disposable incomes of lower and middle income households, impacting discretionary spend.

On a more cheerful note, driven by expectations of more effective and stable government policies, business and consumer confidence have recently started showing signs of improvement. Industrial growth is reviving, exchange rate is stabilizing and deficit containment measures are being adopted. A short term concern is poor monsoons which could prolong the high inflation situation and consequently, high interest rate stance of RBI.

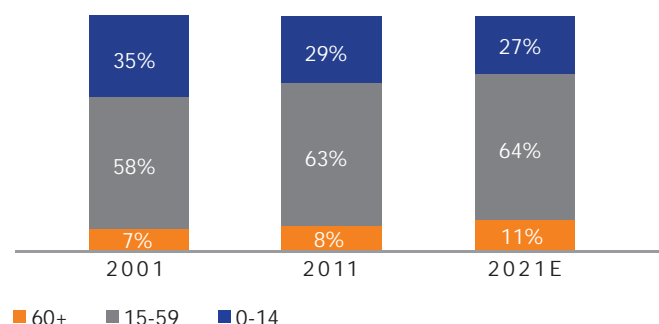
INDIAN SPIRITS INDUSTRY

Similar to other consumer industries, alcohol industry is also experiencing subdued growth. The impact on the industry has been even more exacerbated as most state governments have resorted to increasing duties on alcohol to generate more revenues. According to research firm IWSR, which tracks IMFL industry in India, growth in the Indian spirits market is expected to slow down to a CAGR of 4.3% through 2018, compared to 17% CAGR growth from 2007-12 (Source: Business Standard).

Interestingly, despite lower growth, India remains one of the most attractive alcohol markets in the world. The country is expected to record second-fastest growth (after China), reaching 390 million cases by 2018. Globally, the CAGR of total spirits consumption is expected to drop to 1.5% through 2018 from 6.4% between 2007 and 2012 (according to IWSR). Amongst a multitude of demographic and socio-economic factors driving growth, India's young demographic profile and low level of alcohol penetration are key growth drivers for the sector.

In 2020, India will have one of the youngest populations in the world with average age at 29, compared to 37 in China, 45 in Western Europe and 48 in Japan.

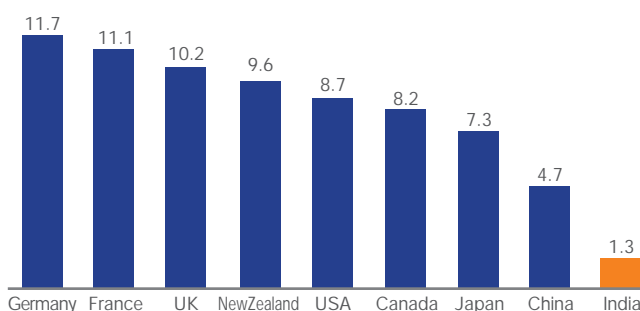
Increasing drinking age population



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

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

Per Capita alcohol consumption in Bulk litre



Source: WHO; Estimate for India

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

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

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



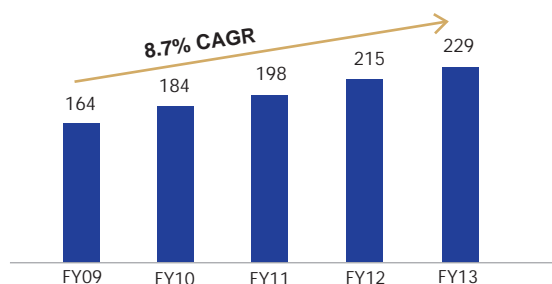
Table1: Differences between IMIL and IMFL

	IMIL	IMFL
Likely Consumer Segment differs in size and status	Socio-economic D, comprising ~40% of population excluding below poverty line population	More affluent, socioeconomic sections C and upwards
Growth is more in sync with population growth	~11% CAGR** for households with Household premiumness 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 ₹ 15 per Proof Litre	Less restricted than IMIL, but higher excise duties of minimum of ₹ 40 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 Industry

The IMIL market has witnessed healthy traction in volumes with 8.7% CAGR over FY2008-09 to FY2012-13 to reach ~230mn cases. This market segment has high degree of under-reporting; hence the actual market could be much higher.

IMIL Market Size (Mn Cases)



Source: Four-S research, State excise data

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

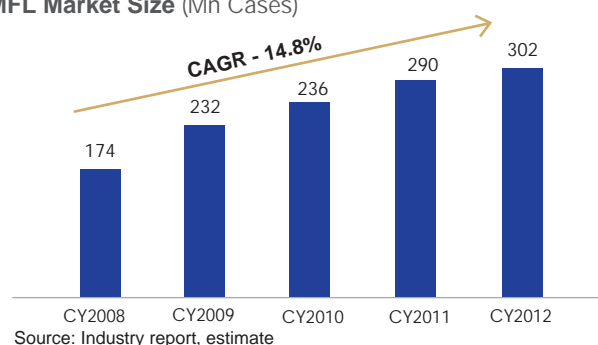
The growth in this segment is expected to be driven by growing consumer base, rising rural incomes and consumption, conversion from illicit/ toddy to IMIL with increasing awareness about health and quality, conducive regulatory policies and aided by growth in population.

WHO, in 2005, estimated the illicit and unreported segment at ~3.3x the reported market. Though this percentage may have reduced since then, it would still be sizable representing a large opportunity for the IMIL industry. The State Governments are expected to play an important role in this conversion. While they are developing the organized IMIL market to prevent hooch tragedies, the excise revenue potential is also significant.

IMFL Industry

The branded IMFL segment is a faster growing segment with 14.8% CAGR over 2007-2012. The market at present is dominated by strong national brands at low price points.

IMFL Market Size (Mn Cases)



Source: Industry report, estimate

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

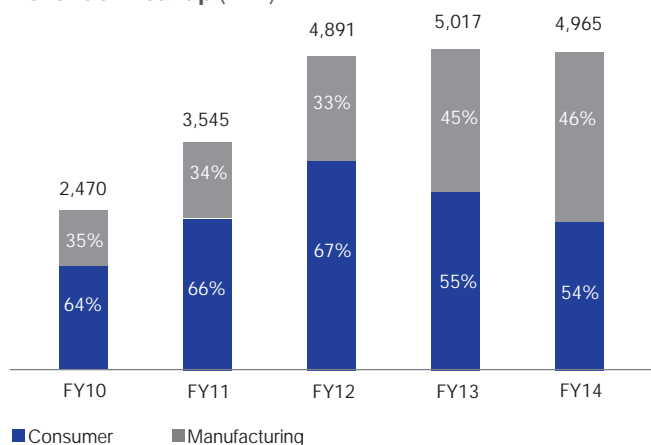
BUSINESS OVERVIEW

In the face of an extremely challenging environment, your company posted a resilient performance in fiscal year 2013-14. Net revenues declined marginally by 1% to reach ₹ 496.5 crore and net profit after tax was lower at ₹ 4.3 crore. This subdued performance resulted from shrinkage in volumes in the Haryana market coupled with high inflation in price of broken rice, (a major raw material). Your company was largely able to offset the adverse impact through its unique 360° business model and productivity improvements. Its strategy of straddling the entire alcohol value chain enabled it to effectively counter weakness in the consumer vertical through growth in the manufacturing business.

During the year, revenue share of the manufacturing business increased from 45% to 54% to reach ₹266.1 crore. The consumer business recorded revenues of ₹230.4 crore with 46% revenue share.

In order to reduce dependence on a few geographies, your company plans to expand its presence to the fast-growing East India region through Greenfield facilities. Your Company had raised ₹81 crore from Templeton Strategic Emerging Markets Fund and the promoters in March 2013 to fund the expansion.

Revenue Breakup (₹ Mn)



Manufacturing Business

The manufacturing business revenues, comprising (a) bulk alcohol manufacturing and (b) franchisee IMFL (third party bottling), grew by 17% to reach ₹266 crore during FY2013-14. This was despite intense competition from entry of two new distilleries in Haryana.

With one of the largest grain-based distillation capacities in India and state of art plants at Rajasthan & Haryana (with combined operating capacity of ~90mn bulk litres), your company leveraged its experience to generate ~19% volume growth in bulk alcohol. The exports vertical showed excellent traction, growing by 15x over the previous year. Your company plans to maintain its focus on exports to ensure high capacity utilizations in the face of increased domestic competition. Driven by its focused approach, capacity utilization increased from 72% in FY2012-13 to 75% in FY2013-14.

Bulk alcohol realisations remained flat during the year. Rising input prices remained a cause for concern. Your company intensified its focus on productivity improvement and witnessed improvement in yield levels.

Volumes in the franchisee IMFL business grew over 25% in FY2013-14 to reach 24 lakh cases, showing strong growth second year in a row, a clear reflection of customers' intent to

consolidate operations with larger players. Your company has 18.6 million cases of bottling capacity and has established systems for performance monitoring. This coupled with captive high quality Extra Neutral Alcohol (ENA) gives unmatched value to India's top IMFL companies.

Your Company has bottling contracts with ABD India, United Spirits and Jagatjit Industries to manufacture their flagship brands in the states of Haryana and Rajasthan.

Your company plans to improve monetization through manufacturing of value added by-products. It plans to start processing spent grain to make DDGS, a protein rich product with strong potential in the animal feed market. With a longer shelf life, this product fetches much better realizations and should result in improving operational profitability in FY2014-15 even if bulk realizations remain stressed.

Consumer Business

The consumer business comprising (a) Indian Made Indian Liquor and (b) Indian Made Foreign Liquor witnessed a revenue decline of 16% in FY2013-14. This was driven by the Haryana IMIL market, wherein volumes fell by almost half. Rajasthan IMIL witnessed good revenue growth of over 17%, but despite this could not completely offset the Haryana impact.

Your company is amongst the largest IMIL players having ~3% market share all-India. Through its efforts to reinvent a traditional and commoditized market, it has established itself as a leading player in all three states in which it operates – Haryana, Rajasthan and Delhi. With competitive intensity increasing, your Company has decided to focus on building strong brands with unique value proposition for the bottom of the pyramid consumer. It pioneered branding in IMIL in 2011 with the launch of Nimboo. The pre-launch efforts in developing an innovative product with differentiated packaging and building a cohesive communication strategy showed immediate results with the product becoming an instant success.

Your company has significant double digit market shares in all three states - Rajasthan (25%), Haryana (13%) and Delhi (23% in FY13) and is also the largest private IMIL company in Rajasthan and second largest player in Haryana.

The consolidated IMIL sale stood at 7.9 million cases in FY2013-14 despite marginal or no trade schemes. This is proof that the brands have become entrenched and have started receiving the benefits of loyalty.

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

≈ ₹ 200 crore 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 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



Heer Ranjha

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

IMFL is a much younger business contributing less than 2% of the consumer revenues. This was launched in FY2007-08 and in a short period of time, your company has developed an IMFL portfolio comprises 3 core brands in the Regular category. These brands have the potential to develop into long-term winners.



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



Your Company's IMFL 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 began the process of exiting low priced brands in FY2012-13 and has now largely completed the rationalization process.

East India Expansion

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

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

Your company has already procured distillery licenses for 3 states in east India and plans to establish Greenfield facilities in a phased manner. During FY2013-14, your company initiated the process of land acquisition and is well on track to establish the first distillery in East in FY2015-16.

Your company's win in the Bihar IMIL tender, providing exclusive right to market IMIL in Patna (Bihar's largest district) for 5 years starting FY2014-15 is a step towards gaining a foothold in the region.

Financial Highlights

- Revenues at ` 496.5 crore
- EBITDA at ` 45.0 crore with EBITDA margin of 9.1%
- Cash Profit at ` 38.7 crore with Cash Profit margin of 7.8%
- PAT at ` 4.3 crore, with margin of 0.9%. Impacted by:
 - o Exceptional depreciation charge of ` 6 crore on account of change from shift basis to continuous process plant for certain plant and machinery
 - o Accelerated amortization of Intangible assets in FY14

Your company strengthened its focus on corporate governance and appointed, a Big 4 firm for audit. In addition, your company is implementing an ERP system to enhance quality and speed of decision-making.

Your company believes that these steps will bring in best practices and contribute towards becoming a stronger and more dynamic organization.

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.

Technology Improvements

- 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 line 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

“Business has a responsibility to give back to the community” - In keeping with this sentiment, your company has instituted a Corporate Social Responsibility Committee to bring in a

dedicated focus on social development initiatives. The Committee will be responsible for formulating and monitoring the CSR policy. The Committee is in the process of framing the policy and is considering far ranging activities including education, environment, poverty eradication, healthcare, etc in the scope.

Risk Management

The nature of our business is such that it is subject to certain risks at different points of time. Some of these include escalation in the cost of raw materials and other inputs, increasing competitive intensity from other players, changes in regulation from central and state governments, changes in supplier-distributor relationship, labor shortage. Your company has always had a proactive approach when it comes to risk management where it periodically reviews the risks and strives to develop appropriate risk mitigation measures for the same. To enhance this focus, your company has formed a Risk Management Committee to frame, implement and monitor risk management plan.

Internal Control Systems

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

Human Capital Overview

Your Company considers human capital a core area for sustainable growth and has been making conscious efforts to engage and develop human capital at all levels. The Human Resource Department of your Company is highly focused on enhancing stakeholder value by ensuring a fit between the management of an organization's employees, and the overall strategic direction of the company. Over the years your Company has been able to build a team of qualified, dedicated & motivated professionals. The working atmosphere provided to the employees is aimed at creating a sense of ownership which helps them to shoulder greater responsibilities. As on 31st March 2014, the employee (excluding casual) count for the company stood at 244 compared to 290 on 31st March 2013.

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 14th August 2014, the Board consisted of 10 Directors comprising the Chairman being Non-Executive & Independent Director, one Managing Director, three Executive cum whole-time Directors, four Non-Executive & Independent Directors and one Non-Executive Director. The Board meets the requirement of not less than one third being independent Directors. The size and composition of the Board conforms to the requirements of 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 Ltd. believes that at the core of its corporate governance practice is the Board, which oversees how the management serves and protects the long-term interests of all stakeholders of the company. An active, well-informed and independent board is necessary to ensure the highest standards of corporate governance.

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

In accordance with the provisions of 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 2013-14, 5(Five) Board Meetings were held on 20th May 2013, 20th June 2013, 10th August 2013, 11th November 2013 and 12th February 2014.

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 are given below:

Directors	Category	Attendance		No. of other Directorships and Committee Memberships/ Chairmanships held \$		
		Board Meetings during the FY 2013-14	Last AGM	Director- ships	Committee Member-ships	Committee Chairman-ships
Sh. Gautam Premnath Khandelwal	NE-I-C	NIL	No	2	1	2
Sh. Ajay K. Swarup	MD-P	4	Yes	6	1	1
Sh. Shekhar Swarup	E-P	5	Yes	4	-	-
Sh. Manik Lal Dutta	E	4	Yes	-	-	-
Dr. Bhaskar Roy	E	5	Yes	2	-	-
Sh. Joginder Singh Dhamija	NE-I	4	No	-	-	-
Sh. Santosh Kumar Bishwal	NE-I	4	Yes	1	-	-
Sh. Vivek Gupta	NE-I	3	No	6	1	-
Sh. Kunal Agarwal	NE-I	4	No	-	-	-
Sh. Rajesh Sehgal	NE-N	4	Yes	1	2	-

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

\$ Represents Directorships and Committee Memberships in Public Limited Companies only.

- Note:
1. Private Limited Companies, Foreign Companies and companies under Section 25 of the companies Act, 1956 are excluded for the above purposes.
 2. During the FY2013-14, Sh. Rajesh Kumar Malik & Sh. Rameshwar Dayal Aggarwal have resigned from Directorship of the company w.e.f. 11/11/2013.
 3. With the applicability of section 149(6) of the Companies Act, 2013, Sh. Rajesh Sehgal being nominee of M/s Templeton Strategic Emerging Markets Fund IV, LDC has been considered in the category of Non-Executive & Non-independent Director w.e.f. 29th May, 2014.

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.

Directors seeking re-appointment: As required by Clause 49 (G) (i) of the Listing Agreement, details of Directors seeking re-appointment / appointment are forming part of the notice of 21st Annual General Meeting.

CODE OF CONDUCT & CODE OF ETHICS

The Board of Directors has adopted the Code of Conduct and Ethics for Directors and Senior Management personnel. The Code 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, 2014, all Board members and Senior Management Personnel have affirmed compliance with the code of Conduct for Directors and Senior Management respectively.

14th August, 2014

Sd/-
Ajay K. Swarup
Managing Director

3. AUDIT COMMITTEE

BROADTERMS 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 177 of the Companies Act, 2013.

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

- i. recommendation for appointment, remuneration and terms of appointment of auditors of the company
- ii. review and monitor the auditor's independence and performance, and effectiveness of audit process
- iii. examination of the financial statement and the auditors' report thereon
- iv. approval or any subsequent modification of transactions of the company with related parties
- v. scrutiny of inter-corporate loans and investments
- vi. valuation of undertakings or assets of the company, wherever it is necessary
- vii. evaluation of internal financial controls and risk management systems
- viii. monitoring the end use of funds raised through public offers and related matters
- ix. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in (i) to (viii) above or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company
- x. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company
- xi. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- xii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- xiii. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - (b) Changes, if any, in accounting policies and practices and reasons for the same.
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - (d) Significant adjustments made in the financial statements arising out of audit findings
 - (e) Compliance with listing and other legal requirements relating to financial statements
 - (f) Disclosure of any related party transactions
 - (g) Qualifications in the draft audit report
- xiv. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- xv. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter
- xvi. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xvii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xviii. Discussion with internal auditors of any significant findings and follow up there on
- xix. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xx. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xxi. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xxii. To review the functioning of the Whistle Blower/Vigil mechanism. Chairperson of the Audit Committee shall be directly accessible in appropriate or exceptional cases.
- xxiii. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate
- xxiv. Carrying out any other function as may be required by the Companies Act 2013, rules made thereunder and Listing Agreements with the Stock Exchanges or otherwise referred by the Board from time to time.
- xxv. The Audit Committee shall mandatorily review the following information :
 - a) Management discussion and analysis of financial condition and results of operations
 - b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management
 - c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d) Internal audit reports relating to internal control weaknesses; and
 - e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
 - f) The auditors of the company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.

COMPOSITION

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

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

* Sh. Kunal Agarwal & Sh. Shekhar Swarup have been inducted in Audit Committee w.e.f. 29th May 2014.

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

During the Financial Year 2013-14, 4 (Four) Audit Committee Meetings were held on 20th May, 2013, 10th Aug. 2013, 11th November, 2013 and 12th February 2014. The attendance of Audit Committee meeting is as follows:

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

* Dr. Bhaskar Roy was a member in the Audit Committee thorough out the FY2013-14 but has resigned from the membership of the Audit Committee w.e.f. 29th May 2014.

4. NOMINATION AND REMUNERATION COMMITTEE

With the applicability of section 178 of The Companies Act, 2013, The Board has renamed its Remuneration Committee as Nomination and Remuneration Committee w.e.f. 29th May 2014.

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

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- The Committee shall formulate criteria for determining qualifications, positive attributes and independence of a director.

- Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees and while formulating such policy, the committee shall ensure That :
 - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals
- Formulate criteria for evaluation of Independent Directors and the Board
- Devise a policy on Board diversity.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal
- To fix the Salary & Perquisites of Executives of the company
- 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.
- To consider the profits of the company and to decide about the adequacy of profits of the company
- To consider the adequacy of profits of the company and to consider remuneration payable to the Managerial persons as per requirement of the companies Act and Schedules of the companies Act.
- To approve the remuneration payable to the managerial personnel of the company in case of inadequacy of the profits And
- To take all other consequential and incidental action and measure .

COMPOSITION

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

S. No.	Name of the Members	Designation	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

Remuneration Policy for Directors:**a) Executive Directors**

- Salary not to exceed limits prescribed under the Companies Act, 1956.
- Revision from time to time depending upon performance of the Company, individual Director's performance and prevailing Industry norms.
- No sitting fees.

b) Non-Executive Directors

- Sitting fees not to exceed limits prescribed under the Companies Act, 1956.
- The remuneration payable to Non - Executive Directors is decided by the Board of Directors.

During the Financial Year 2013-14, 1 (One) Remuneration Committee Meeting was held on 10th Aug. 2013. The attendance of Remuneration Committee meeting is as follows:

Members	Designation	No. of Meetings attended
Sh. Joginder Singh Dhamija	Chairman	1
Sh. Santosh Kumar Bishwal	Member	1
Mr. Gautam Premnath Khandelwal	Member	NIL
Sh. Rajesh Sehgal	Member	1

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 2014 are as under:

S. No.	Name	Designation	Salaries & Allowance (₹)	Other Benefits (₹)	Commission (₹)	Total (₹)
1.	Sh. Ajay K. Swarup	Managing Director	4770000	Nil	Nil	4770000
2.	Sh. Manik Lal Dutta	Executive Director	1312056	Nil	Nil	1312056
3.	Sh. Shekhar Swarup	Executive Director	2250000	Nil	Nil	2250000
4.	Dr. Bhaskar Roy	Executive Director	2021275	Nil	Nil	2021275

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

The tenure of the appointment of Sh. Manik Lal Dutta, Executive Director has been proposed to be determined by liable to retire by rotation.

The tenure of the appointment of Sh. Shekhar Swarup & Dr. Bhaskar Roy shall be determined by liable to retire by rotation.

The Non Executive Directors are paid by way of sitting fees for each meeting of the Board of Directors and its Committees attended by them. The details of sitting fees paid to Non Executive Directors during F.Y. 2013-14 are as under.

Name of Independent Director	Sitting Fees (₹)
Sh. Joginder Singh Dhamija	1,10,000
Sh. Santosh Kumar Bishwal	1,10,000
Sh. Vivek Gupta	30,000
Sh. Kunal Agarwal	50,000

None of the Non Executive Directors had any pecuniary relationship or transactions with the company during the year ended 31st March 2014 except getting sitting fees for the meeting attended by them

5. STAKEHOLDERS RELATIONSHIP COMMITTEE.

With the applicability of section 178 of The Companies Act, 2013, The Board has renamed its Investor Grievance cum Share Transfer Committee as Stakeholders Relationship Committee w.e.f. 29th May 2014.

COMPOSITION

The constitution of the Stakeholders Relationship 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

W.e.f. 05.12.2013 Shri Santosh Kumar Pattanayak, Company Secretary of the Company has been appointed as Compliance Officer*.

*Before Mr. Santosh Kumar Pattanayak, Mr. Joylin Jain, Company Secretary of the Company was the Compliance Officer. Since he has resigned from the Company effective from 21st November, 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 01.04.2013 to 31.03.2014	11
Number of Complaints attended/resolved	11
Number of pending complaints as on 31.03.2014	NIL

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

With the applicability of Section 135 of the Companies Act, 2013, The Board of Directors constituted the Corporate Social Responsibility (CSR) Committee of the Board at its meeting held on 29th May 2014. Sh. Santosh Kumar Bishwal, is the Chairman of the Committee. Sh. Joginder Singh Dhamija, Dr. Bhaskar Roy & Sh. Shekhar Swarup are the other members of the Committee.

Terms of reference of the CSR Committee are:

1. Formulate and recommend to the board, a CSR policy indicating the activity or activities to be undertaken by the company as specified in Schedule VII of the Act;

2. Recommend the amount to be spent on these activities; and
3. Monitor the company's CSR policy periodically
4. Institution of transparent monitoring mechanism for the implementation of CSR projects.

The company is in the process of formulating a policy on Corporate Social Responsibility as required under section 135 of The Companies Act, 2013.

7. RISK MANAGEMENT COMMITTEE:

With the applicability of newly enacted Companies Act, 2013, The Board of Directors constituted the Risk Management Committee of the Board at its meeting held on 29th May 2014. Sh. Santosh Kumar Bishwal, is the Chairman of the Committee. Sh. Joginder Singh Dhamija, Dr. Bhaskar Roy, Sh. Shekhar Swarup and Sh. Rajesh Sehgal are the other members of the Committee.

Terms of reference of the Risk Management Committee are:

1. framing, implementing and monitoring the risk management plan for the company.
2. lay down procedures to inform Board members about the risk assessment and minimization procedures
3. monitoring and reviewing of the risk management plan from time to time.
4. Activities as may be required to be done under the Companies Act 2013 or listing Agreements with Stock Exchanges

The company is in the process of formulating a policy on Risk Management Plan as required under The Companies Act, 2013.

8. GENERAL BODY MEETINGS

Details of the last three Annual General Meetings:

Date of Meeting	Location of the Meeting	Time	Details of Special Resolution Passed Therein
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.
21.09.2012	Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-110003	11:30 A.M.	NONE
25.09.2013	Delton Hall, 2, Institutional Area, Lodhi Road, New Delhi-110003	11:00 A.M.	NONE

Details of Special Resolutions proposed to be passed through Postal Ballots vide notice dated 14/08/2014:

1. To create mortgage/hypothecation and/or charge, on the whole or substantially the whole of the Company's undertakings including present or future properties, whether immovable or movable assets, comprised in any undertaking of the Company, as may be agreed to in favour of the Bank(s), Financial Institution(s) under section 180 (1) (a) of the Companies Act, 2013.

9. 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 has not denied access to any personnel, to approach the management on any issue. The company is in the process of formulating a policy on vigil mechanism as required under The Companies Act, 2013.

v) CEO/CFO Certificates

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

10. 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,
santoshp@globusgroup.in, ir@globusgroup.in

11. GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting:

Date & Time : Wednesday, 24th September, 2014 at 11:00 A.M.

Venue : Delton Hall, 2, Institutional Area, Lodhi Road, New Delhi-110003

b) Financial Year : 01st April, 2013 to 31st March, 2014

c) Book Closure : 22nd Sept., 2014 to 24th Sept., 2014 (both days inclusive)

d) Dividend : No dividend is proposed for the F.Y.2013-14

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

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

i) Bombay Stock Exchange Limited, 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001.

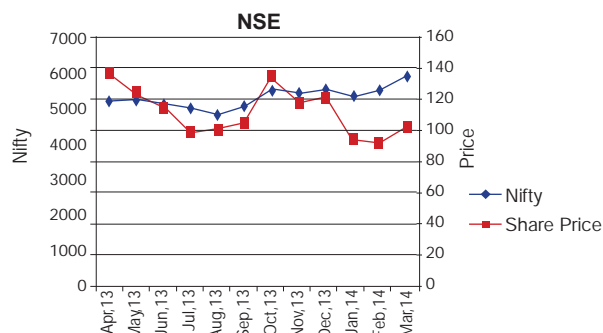
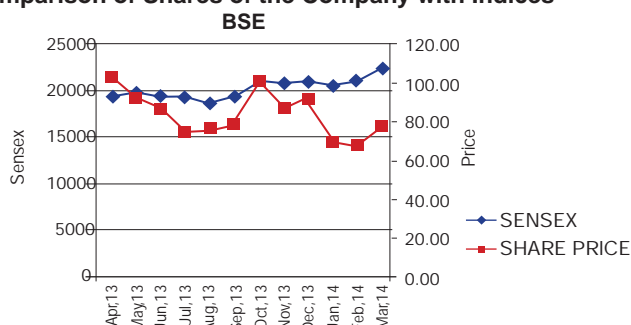
ii) National Stock Exchange of India Limited, 'Exchange Plaza', Bandra - Kurla Complex, Bandra (East), Mumbai- 400 051.

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

g) Stock Market Price Data for the year 2013-14

Month	BSE Price (₹)		NSE Price (₹)	
	High	Low	High	Low
April, 2013	104.90	95.45	105.00	94.90
May, 2013	109.30	93.05	108.95	92.00
June, 2013	94.85	76.00	94.75	75.00
July, 2013	112.10	72.00	111.90	71.90
August, 2013	85.45	66.00	85.95	65.45
September, 2013	83.80	75.30	84.00	74.65
October, 2013	106.90	77.30	107.00	76.15
November, 2013	109.00	81.15	108.90	81.55
December, 2013	99.70	80.15	99.70	80.05
January, 2014	91.80	67.60	91.85	67.80
February, 2014	75.45	66.40	75.50	66.10
March, 2014	81.00	68.20	81.05	68.30

Comparison of Shares of the Company with Indices



Distribution of Equity shareholding as on 31st March 2014

No. of Equity Shares held	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
Upto 500	10992	87.0998	1433653	6.2339
501 to 1000	885	7.0127	719126	3.1269
1001 to 2000	348	2.7575	536961	2.3348
2001 to 3000	129	1.0222	327888	1.4257
3001 to 4000	54	0.4279	195386	0.8496
4001 to 5000	52	0.4120	245352	1.0669
5001 to 10000	91	0.7211	643174	2.7967
10001 & above	69	0.5468	18896201	82.1655
GRAND TOTAL	12620	100.00	22997741	100.00

Shareholding Pattern as on 31st March, 2014

CATEGORY	NO. OF SHARE HELD	% OF HOLDING
Equity:		
A. Promoter & Promoter Group		
1. India	15466705	67.25
2. Foreign	0.00	0.00
Total (A)	15466705	67.25
A. Public		
1. Institutions	2135234	9.28
2. Non-Institutions	5395802	23.46
Total (B)	7531036	32.75
Grand Total (A+B)	22997741	100
B. 4.75% Cumulative Compulsorily Convertible 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, 2014, 99.998% of total equity shares were held in dematerialized form. Out of the above 8,10,000 Equity shares are locked-in-share.

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, entitling the holder to apply for and obtain one equity share of face value of Rs. 10/- each against each warrant.	763359	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. During the year, the Ministry of Corporate Affairs (MCA) has notified certain provisions relating to selection, manner of appointment, role, functions, duties and re-appointment of independent directors (IDs) and made effective from 1st April 2014. Accordingly, the IDs are eligible to hold office for a term of upto five consecutive years on the board and are eligible for re-appointment for the second term on passing special resolution by the Company in terms of Section 149(10) read with Section 149(5) of the Companies Act 2013. During this period, they will not be liable to 'retire by rotation' as per Sections 150(2), 152(2) read with Schedule IV to the said Act 2013. It is, therefore, proposed to appoint the IDs of the Company for a consecutive period of five years at the AGM in line with the requirement of the Companies Act 2013.

(2) REMUNERATION COMMITTEE

The board at its meeting held on 29th May 2014 constituted a Nomination and Remuneration Committee as per the provisions of Section 178 of the Companies Act 2013.

(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) TRAINING OF BOARD MEMEBRS & MECHANISM FOR EVALUATING NON-EXECUTIVE BOARD MEMBERS

The present board consists of well-experienced and responsible members of society. All the directors are well aware of business model as well as the risk profile of the business parameters of the Company. There is also no specific mechanism for evaluating the performance of the non-executive directors of the Company. The company is in the process of implementing Evaluation Mechanism for the performance of Independent Directors.

REQUEST TO SHAREHOLDERS

Demat of Shares:

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

Consolidation of Multiple Folios:

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

Registration of Nominations:

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

Updation of address:

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

GREEN INITIATIVE IN CORPORATE GOVERNANCE

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

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, 2014, 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.

For Deloitte Haskins & Sells
Chartered Accountants

Sd/-

Vijay Agarwal

Partner

Membership No. 094468

Place : Gurgaon

Date : August 14, 2014

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, 2014.
- (d) We have indicated to the auditors and the Audit committee and that there had not been :
 - (i) significant changes in internal control during the financial year ended 31st March, 2014;
 - (ii) significant changes in accounting policies during the financial year ended 31st March, 2014 except the method of charging depreciation which has been duly disclosed in the notes to the financial statements ; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Place : New Delhi
Date : 14/08/2014

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

Sd/-
(Ajay K. Swarup)
Managing Director

Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of **GLOBUS SPIRITS LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. 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.

Auditors' Responsibility

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 the 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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 qualified audit opinion.

Basis for Qualified Opinion

As on March 31, 2014, Fixed Assets include Intangible Assets aggregating to ` 2,886.60 Lacs (March 31, 2013 - ` 3,608.25

Lacs) under the head "Knowhow and New Brand Development" representing intangibles internally generated by the Company through expenditure on advertisement and promotional expenses. Such recognition is not in accordance with Accounting Standard - 26 "Intangible Assets". Had the Company complied with requirements of AS-26, Fixed Assets as at March 31, 2014 would have been lower by ` 2,886.60 Lacs (March 31, 2013 - ` 3,608.25 Lacs), Depreciation and amortisation expense for the year would be lower by ` 721.65 Lacs, Net profit after taxes for the year would be converted into net losses after tax of ` 1,477.82 Lacs and Reserves and Surplus would be lower by ` 1,905.45 Lacs.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid 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 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

Attention is invited to note no. 26, which describes that the Company has paid remuneration of ` 73.90 Lacs to the Relatives of Directors without special resolution in General Meeting during the current year and previous years, including ` 2.59 Lacs paid without obtaining the approval of the Central Government, which is not in line with provisions of Section 314 of the Companies Act, 1956. The Company has initiated the process for recovering the same and accordingly the balance has been shown as recoverable as on March 31, 2014.

Our opinion is not qualified in respect of this matter.

Other Matters

The financial statements of the Company for the year ended 31st March, 2013, were audited by another auditor who expressed an unmodified opinion on those statements on 20th May, 2013.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) 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:
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.*
 - The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).*
 - On the basis of written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

**For DELOITTE HASKINS & SELLS
Chartered Accountants**

**New Delhi
May 29, 2014**

**Vijay Agarwal
(Partner)
(Membership No. 094468)**

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

"Having regard to the nature of the Company's business / activities / results during the year, clauses (vi), (xii), (xiii), (xiv), (xv), (xviii), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company."

- In respect of its fixed assets:
 - The Company has maintained records showing particulars, including situation of fixed assets, however, with respect to quantitative details of the same is in process of being updated. For the assets acquired during the year, such particulars have been maintained.
 - The fixed assets were physically verified during the year by the Management, in accordance with a regular programme of verification which, in our opinion,

provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, the Company is in process of reconciling the same with fixed assets register, accordingly discrepancies, if any, has not been identified on such verification.

- The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(ii) In respect of its inventories:

- As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
- In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

- During the year, the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

Loan of ` 1,765,976, unsecured, taken during earlier years from a party is outstanding at the year end; the maximum amount outstanding during the year is ` 1,765,976.

The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interest of the Company.

With respect of repayments, no terms has been stipulated, however, party has not demanded for repayment.

- In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. However, for purchase of fixed assets certain controls need to be strengthened. Being first year of audit, no major weakness reported by earlier auditor, there is no continuing failure to correct major weaknesses in such internal control system.
- To the best of our knowledge and belief and according to the information and explanations given to us, there are no contracts or arrangements that needed to be entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956.
- In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management has been commensurate with the size of the Company and the nature of its business.

(vii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 and The Cost Accounting Records (Fertilizer Industry) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(viii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues including Sales Tax, Customs Duty, Excise Duty, Wealth Tax and other material statutory dues applicable to it with the s. The

appropriate authorities. The Company is not regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax and Service Tax. The provision of Investor Education and Protection Fund and Cess are not applicable to the Company.

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2014 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹) *
Central Excise Laws	Excise Duty	High Court	1995-96, 2004-10	19,739,456
		Appellate authority upto Commissioners' level	1996-97	1,111,279
Income Tax Act, 1961	Income tax	CIT (Appeals)	2010-11	636,239
			2011-12	20,907,840

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

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

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹) *
Sales Tax Laws	Sales tax	High Court	2004 – 07	77,100,339

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

(ix) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions; however, during the year there are defaults in the repayment of dues to banks for a maximum period of 67 days with the maximum amount in default was ₹ 6,250,000. There was no such default as at the year end. The Company has not issued any debentures.

(xi) In our opinion and according to the information and explanations given to us, the term loans have been

applied by the Company, during the year, for the purposes for which they were obtained, other than temporary deployment pending application.

(xii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, prima facie, been used during the year for to finance capital expenditure of ₹ 4,634.64 Lacs.

(xiii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants

New Delhi
May 29, 2014

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

Balance Sheet

as at March 31, 2014

(` in lacs)

	Note No.	As at 31 March, 2014	As at 31 March, 2013
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	3	9,353.20
	(b) Reserves and surplus	4	25,456.76
	(c) Money received against share warrants	23.1	267.17
		35,077.13	35,028.58
2	Non-current liabilities		
	(a) Long-term borrowings	5	2,042.03
	(b) Deferred tax liabilities (net)	30	4,937.41
	(c) Long-term provisions	7	107.95
		7,087.39	7,241.36
3	Current liabilities		
	(a) Short-term borrowings	8	6,911.56
	(b) Trade payables	9	7,915.58
	(c) Other current liabilities	6	2,556.38
	(d) Short-term provisions	7	120.25
		17,503.77	17,086.10
	TOTAL	59,668.29	59,356.04
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets		
	(i) Tangible assets	10	38,588.57
	(ii) Intangible assets	10	2,886.60
	(iii) Capital work-in-progress		2,895.81
		44,370.98	43,597.54
	(b) Non-current investments	11.a	2.98
	(c) Long-term loans and advances	12	3,767.00
		3,769.98	2,180.68
2	Current assets		
	(a) Current investments	11.b	6.85
	(b) Inventories	14	4,552.38
	(c) Trade receivables	15	4,729.66
	(d) Cash and bank balances	16	637.70
	(e) Short-term loans and advances	12	1,573.74
	(f) Other current assets	13	27.00
		11,527.33	13,577.82
	TOTAL	59,668.29	59,356.04
	See accompanying notes forming part of the financial statements		

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

sd/-
Vijay Agarwal
Partner
Membership No. 094468

Place : New Delhi
Date : May 29, 2014

For and on behalf of the Board of Directors

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

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

Place : New Delhi
Date : May 29, 2014

Sd/-
Manik Lal Dutta
Executive Director
DIN-00769308

Sd/-
Santosh Kumar Pattanayak
Company Secretary
ACS-18721

Statement of Profit and Loss

for the year ended March 31, 2014

(` in lacs)

Particulars		Note No.	For the year ended 31 March, 2014	For the year ended 31 March, 2013
1	Revenue from operations (gross)	17	66,202.40	64,060.07
	Less: Excise duty	17	16,552.42	13,881.72
	Revenue from operations (net)		49,649.98	50,178.35
2	Other income	18	289.78	488.18
3	Total revenue (1+2)		49,939.76	50,666.53
4	Expenses			
	(a) Cost of materials consumed	19	32,293.86	29,466.89
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	(1,464.81)	600.65
	(c) Employee benefits expense	20	1,213.62	1,280.61
	(d) Finance costs	21	1,015.66	649.48
	(e) Depreciation and amortisation expense	10	2,847.90	1,648.93
	(f) Other expenses	22	13,110.07	11,799.77
	Total expenses		49,016.30	45,446.33
5	Profit before exceptional items and tax (3 - 4)		923.46	5,220.20
6	Exceptional items		596.35	-
7	Profit before tax (5 - 6)		327.11	5,220.20
8	Tax expense / (benefit):			
	(a) Current tax expense under MAT		92.03	1,047.55
	(b) (Less): MAT credit relating to current year		(92.03)	-
	(c) (Less): MAT credit relating to previous years		(1,195.95)	-
	(d) Deferred tax		1,095.42	754.08
	Net tax (benefit) / expense		(100.53)	1,801.63
9	Profit for the year (7-8)		427.64	3,418.57
10	Earnings per share (of ` 10 /- each):			
	(a) Basic	28	0.16	14.81
	(b) Diluted	28	0.15	14.73
See accompanying notes forming part of the financial statements				

In terms of our report attached.

For Deloitte Haskins & Sells

Chartered Accountants

Sd/-

Vijay Agarwal

Partner

Membership No. 094468

Place : New Delhi

Date : May 29, 2014

For and on behalf of the Board of Directors

Sd/-

Ajay K. Swarup

Managing Director

DIN-00035194

Sd/-

Bhaskar Roy

Executive Director & CFO

DIN-02805627

Place : New Delhi

Date : May 29, 2014

Sd/-

Manik Lal Dutta

Executive Director

DIN-00769308

Sd/-

Santosh Kumar Pattanayak

Company Secretary

ACS-18721

Cash Flow Statement

as on 31-03-2014

(` in lacs)

	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
A. Cash flow from operating activities				
Profit before tax		327.11		5,220.20
<u>Adjustments for:</u>				
Depreciation and amortisation expense	2,847.90		1,648.93	
Exceptional Items- Depreciation	596.35		-	
loss on sale of assets	13.81		-	
Finance costs	1,015.66		633.12	
Interest income	(36.32)		(60.54)	
Dividend income	(0.89)		(0.20)	
Other Income	72.46		(41.59)	
Liabilities / provisions no longer required written back	(156.02)		-	
Adjustments to the carrying amount of investments	8.78		-	
Bad trade and other receivables, loans and advances written off	21.79		-	
Provision for doubtful trade and other receivables, loans and advances	130.12	4,513.64	-	2,179.72
Operating profit / (loss) before working capital changes		4,840.75		7,399.92
<u>Changes in working capital:</u>				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(1,090.15)		1,125.05	
Trade receivables	1,374.32		(680.05)	
Short-term loans and advances	(804.48)		-	
Long-term loans and advances	73.14		13.18	
Other current assets	15.07		1,129.88	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(3.67)		-	
Other current liabilities	(340.09)		(1,104.63)	
Short-term provisions	2.59		(12.00)	
Long-term provisions	(6.50)	(779.77)	-	471.43
Cash generated from operations		4,060.98		7,871.35
Net income tax (paid)		(524.11)		(12.00)
Net cash flow from / (used in) operating activities (A)		3,536.87		7,859.35
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(5,908.16)		(11,275.72)	
Proceeds from sale of fixed assets	(24.48)		-	
Interest income	36.32		60.54	
Other Income	(72.46)		41.59	
Bank balances not considered as Cash and cash equivalents-Matured	1.00		-	
Dividend income	0.89	(5,966.89)	0.20	(11,173.39)
Net cash flow from / (used in) investing activities (B)		(5,966.89)		(11,173.39)
C. Cash flow from financing activities				
Proceeds from issue of preference shares			7,053.44	
Proceeds from issue of share warrants			267.18	
Proceeds from long-term borrowings	148.00		-	
Repayment of long-term borrowings	(1,390.90)		(975.16)	
Proceeds from other short-term borrowings	4,060.06		-	
Repayment of other short-term borrowings	(1,163.28)		-	
Finance costs	(1,015.66)		(633.12)	
Dividends paid	(612.77)		-	
Tax on dividend	(71.98)	(46.53)	-	5,712.34
Net cash flow from / (used in) financing activities (C)		(46.53)		5,712.34
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(2,476.55)		2,398.30
Cash and cash equivalents at the beginning of the year		2,927.17		528.87
Cash and cash equivalents at the end of the year		450.62		2,927.17
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 16		450.62		2,927.17

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

sd/-
Vijay Agarwal
Partner
Membership No. 094468

Place : New Delhi
Date : May 29, 2014

For and on behalf of the Board of Directors

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

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

Place : New Delhi
Date : May 29, 2014

Sd/-
Manik Lal Dutta
Executive Director
DIN-00769308

Sd/-
Santosh Kumar Pattanayak
Company Secretary
ACS-18721

Notes to the financial statements for the year ended March 31, 2014

1 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 manufacture and sale of Indian Made Indian Liquor (IMIL), Indian Made Foreign Liquor (IMFL), Bulk Alcohol and Franchise Bottling.

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

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

2.3 Inventories

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

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

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances

(with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

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

2.6 Depreciation and amortisation

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Assets costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation

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

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

2.7 Revenue recognition

Sale of goods

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

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

Sale of services

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

2.8 Other income

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

2.9 Fixed Assets (Tangible / Intangible)

Fixed assets, are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and

other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital work-in-progress:

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

2.10 Foreign currency transactions and translations

Initial recognition

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

Measurement at the balance sheet date

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

Treatment of exchange differences

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

Accounting for forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date.

2.11 Government grants, subsidies and export incentives

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

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

2.12 Investments

Long-term investments, are carried individually at cost less provision for decline, other than temporary, in the

carrying value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.13 Employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

Short-term employee benefits

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

2.14 Borrowing costs

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

2.15 Segment reporting

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

2.16 Leases

"Assets leased by the Company in its capacity as a lessee,

where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis."

2.17 Earnings per share

"Basic earnings per share is computed by dividing the profit after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented."

2.19 Taxes on income

"Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

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

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if

there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their reliability.

2.20 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.21 Provisions and contingencies

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

2.22 Derivative contracts

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

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

2.23 Operating Cycle

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

Note 3 Share capital

(₹ in lacs)

	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised				
Equity shares of Rs.10 each with voting rights	35,000,000	3,500.00	35,000,000	3,500.00
Cumulative compulsorily convertible preference shares (CCCPS) of Rs.140 each	5,100,000	7,140.00	5,100,000	7,140.00
	40,100,000	10,640.00	40,100,000	10,640.00
(b) Issued, Subscribed and Paid-up Shares				
Equity shares of Rs. 10 each with voting rights	22,997,741	2,299.77	22,997,741	2,299.77
Cumulative compulsorily convertible preference shares (CCCPS) of Rs.140 each	5,038,168	7,053.43	5,038,168	7,053.43
	28,035,909	9,353.20	28,035,909	9,353.20

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

	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2014			
- Number of shares	22,997,741	-	22,997,741
- Amount (Rs.)	2,299.77	-	2,299.77
Year ended 31 March, 2013			
- Number of shares	22,997,741	-	22,997,741
- Amount (Rs.)	2,299.77	-	2,299.77
Cumulative compulsorily convertible preference shares (CCCPS)			
Year ended 31 March, 2014			
- Number of shares	5,038,168	-	5,038,168
- Amount (Rs.)	7,053.43	-	7,053.43
Year ended 31 March, 2013			
- Number of shares	-	5,038,168	5,038,168
- Amount (Rs.)	-	7,053.43	7,053.43

(ii) Terms/ rights attached to equity shares

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

(iii) Terms/ rights attached to Cumulative compulsorily convertible preference shares (CCCPS)

5,038,168, 4.75% 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, which are convertible into one equity shares of the face value of ₹ 10 each against each CCCPS on or before 18 September,

(iv) Terms/ rights attached to Warrant

763,359 Warrants at an issue price of ₹ 140 per warrant were issued and allotted to Chandbagh Investments Limited on 19 March, 2013, 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. on or before 18 September, 2014. (Also refer note 23.1).

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

(₹ in lacs)

Class of shares / Name of shareholder	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Chandbagh Investments Limited	11,367,510	49.43%	11,367,510	49.43%
Mr. Ajay Kumar Swarup	1,649,820	7.17%	1,649,820	7.17%
Mr. Anoop Bishnoi	1,619,820	7.04%	1,619,820	7.04%
SBI Emerging Business Fund	1,740,025	7.57%	1,873,393	8.15%
IDFC Premier Equity Fund	-	-	1,823,068	7.93%
Cumulative compulsorily convertible preference shares				100%
Templeton Strategic Emerging Markets Fund IV	5,038,168	100%	5,038,168	

(vi) Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash for the period of 5 years immediately preceding the balance sheet date:

(₹ in lacs)

	Aggregate number of shares	
	As at 31 March, 2014	As at 31 March, 2013
Equity shares with voting rights		
The Company has issued 3,240,000 shares on 3 October, 2011, pursuant to scheme of amalgamation of Associated Distilleries Limited.	3,240,000	3,240,000

Note 4 Reserves and surplus

(₹ in lacs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
(a) Securities premium account		
Opening balance	7,555.00	7,555.00
Closing balance	7,555.00	7,555.00
(b) General reserve		
Opening balance	1,415.65	1,310.65
Add: Transferred from surplus in statement of profit and loss	-	105.00
Closing balance	1,415.65	1,415.65
(c) Surplus in Statement of Profit and Loss		
Opening balance	16,437.56	13,457.55
Add: Profit for the year	427.64	3,418.57
Less: Interim dividend		
Dividends proposed to be distributed to equity shareholders ₹ NIL (Previous year ₹ 1.2 per share)	-	275.97
Dividends - preference shareholders (CCCPS)	324.02	11.01
Tax on dividend	55.07	46.58
Transferred to general reserve	-	105.00
Closing balance	16,486.11	16,437.56
Total	25,456.76	25,408.21

Note 5 Long-term borrowings

(₹ in lacs)

	As at 31 March, 2014	As at 31 March, 2013
(a) Term loans From banks Secured (refer note (i) below)	1,857.67	3,199.45
	1,857.67	3,199.45
(b) Long-term maturities of finance lease obligations (Refer Note 27.1) Secured (refer note (ii) below)	166.70	67.81
	166.70	67.81
(c) Other loans and advances Unsecured	17.66	17.66
	17.66	17.66
Total	2,042.03	3,284.92

Notes:

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

(₹ in lacs)

	Terms of repayment and Security	As at 31 March, 2014	As at 31 March, 2013
Term loans from banks: HDFC Bank	Secured by first pari passu charge on all movable fixed assets of the Company and equitable mortgage of factory Land & Building of both the plants at Behror and Samalkha and second pari passu charge by way of extension of charge on all the current assets of the Company and corporate guarantee by Chandbagh Investments Limited. The repayment schedule is as below: ` 18.56 lacs repayable at once in February 2016. ` 21.43 lacs repayable in one balance quarterly installment. ` 990.72 lacs repayable in 8 quarterly installment of ` 123.84 lacs each ` 218.75 lacs repayable in 7 quarterly installment of ` 31.25 lacs each.	1,249.46	1,955.53
HSBC Bank	Secured by first pari passu charge on all the fixed assets of the Company including equitable mortgage of factory land & building of Behror, Samalkha and Hissar and second pari passu charge by way of extension of charge on all the current assets of the Company and guaranteed by M/s Chandbagh Investments Limited. The repayment schedule is as below: ` 200 lacs repayable in 2 quarterly installment of ` 100 lacs each ` 1,750 lacs repayable in 14 quarterly installment of ` 125 lacs each.	1,950	2,600
		3,199.46	4,555.53
Long-term borrowings		1,857.67	3,199.45
Current Maturities of long term debt		1,341.79	1,356.08

- (ii) Finance lease obligations from Banks of ` 111.67 lacs (previous year ` 29.84 lacs) and from financial institution ` 96.52 lacs (previous year ` 71.97 lacs) are secured by hypothecation of respective vehicles. Payable on equivalent monthly installment basis, carrying interest rate in the range of 8.79 % to 15.14 % per annum.
- (iii) As at the year end, the Company has defaulted in compliance with certain covenants on borrowings from banks, in which case, the lenders reserves the right to recall the entire outstanding amount on immediate basis. However, none of the lenders have exercised their options to recall the outstanding amounts and as such, the term loans have been classified as per the original terms agreed with lenders.

Note 6 Other Current liabilities

(₹ in lacs)

	As at 31 March, 2014	As at 31 March, 2013
(a) Current maturities of long-term debt (Refer Note 5)	1,341.79	1,356.08
(b) Current maturities of finance lease obligations (Refer Note 27.1)	41.49	34.00
(c) Other payables		
(i) Statutory remittances	197.36	250.51
(ii) Capital creditors	375.77	1,732.08
(iii) Trade / security deposits	385.37	278.53
(iv) Advances from customers	117.03	499.61
(v) Subsidy received from Ministry of New and Renewable Energy	84.00	96.00
(vi) Others	13.57	5.97
Total	2,556.38	4,252.78

Note 7 Provisions

(₹ in lacs)

	Long term		Short term	
	As at 31 March, 2014	As at 31 March, 2013	As at 31 March, 2014	As at 31 March, 2013
(a) Provision for employee benefits:				
(i) Provision for compensated absences	-	15.92	-	2.83
(ii) Provision for gratuity (Refer Note 24)	107.95	98.54	24.44	17.56
	107.95	114.46	24.44	20.39
(b) Provision - Others:	-	-	-	321.71
(i) Provision for tax (net of advance tax Rs. 4,597.28 lacs (As at 31 March, 2013 Rs. 4,032.55) lacs	-	-	-	275.97
(ii) Provision for proposed equity dividend	-	-	-	11.01
(iii) Provision for preference dividend	-	-	29.67	46.58
(iv) Provision for tax on preference / proposed dividends	-	-	66.14	66.14
(v) Provision for other contingencies	-	-	-	1.47
(vi) Provision - Others	-	-	95.81	722.88
Total	107.95	114.46	120.25	743.27

Note 8 Short-term borrowings

(₹ in lacs)

	As at 31 March, 2014	As at 31 March, 2013
(a) Loans repayable on demand - Secured		
From banks		
Cash credit (refer Note (i))	6,765.93	3,538.67
	6,765.93	3,538.67
(b) Others - Unsecured		
Overdraft	145.63	476.11
	145.63	476.11
Total	6,911.56	4,014.78

Notes:

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

(` in lacs)

	Nature of Security	As at 31 March, 2014	As at 31 March, 2013
Cash credit from:			
- HDFC Bank	Secured by first pari passu charge by way of hypothecation on entire present and future current assets including stocks and book debt and second pari passu charge by way of extension of charge on all the current assets of the Company and corporate guarantee by M/s Chandbagh Investments Limited.	367.21	400.00
- State Bank of India	Secured by first pari passu charge on entire current assets of the Company and second pari passu charge on all the fixed assets inclusive of equitable mortgage of factory land and building at Samalkha, Haryana and Behror and corporate guarantee of M/s Chandbagh Investments Limited.	4,938.10	2338.67
- HSBC Bank	Secured by first charge on entire current assets of the Company and extension of second charge on all the fixed assets and guaranteed by Chandbagh Investments Limited.	-	800.00
- Yes Bank	Secured by subservient charge on all the current assets and movable fixed assets of the Company (both present and future).	1,460.62	-
	Total	6,765.93	3,538.67

(ii) As at the year end, the Company has defaulted in compliance with certain covenants on borrowings from banks, in which case, the lenders reserves the right to recall the entire outstanding amount on immediate basis and/or charge penal interest on amounts in default. However, none of the lenders have exercised their options to charge penal interest or recall the outstanding amounts and as such, the term loans have been classified as per the original terms agreed with lenders.

Note 9 Trade payables

(` in lacs)

	As at 31 March, 2014	As at 31 March, 2013
Trade payables:		
Other than Acceptances (Refer Note 23.3)	7,915.58	8,075.27
Total	7,915.58	8,075.27

Note 10 Fixed assets

(Rs. in lacs)

Tangible assets	Gross block			Accumulated depreciation				Net Block	
	Opening as at 1 April, 2013	Additions	Disposals	As at 31 March, 2014	Opening as at 1 April, 2013	Depreciation for the year (Note-1)	Eliminated on disposal of assets	As at 31 March, 2014	As at 31 March, 2013
(a) Land									
Freehold land	192.05	200.67	-	392.72	-	-	-	392.72	192.05
(Previous year)	192.05 (136.98)	200.67 (55.07)	-	392.72 (192.05)	-	-	-	392.72 (192.05)	192.05 (136.98)
(b) Buildings									
Factory building	7,319.49	1,860.92	-	9,180.41	577.54	228.22	-	8,374.65	6,741.95
(Previous year)	7,319.49 (4,087.60)	1,860.92 (3,231.89)	-	9,180.41 (7,319.49)	577.54 (426.18)	228.22 (151.37)	-	8,374.65 (6,741.94)	6,741.95 (3,661.42)
(c) Plant and equipment									
Plant and Machinery (Note 1)	35,862.74	1,172.40	-	37,035.14	5,409.06	2,418.55	-	29,207.53	30,453.68
(Previous year)	35,862.74 (25,854.38)	1,172.40 (10,008.36)	-	37,035.14 (35,862.74)	5,409.06 (4,056.79)	2,418.55 (1,352.27)	-	29,207.53 (30,453.68)	30,453.68 (21,797.59)
(d) Furniture and fixtures									
Furniture and fixtures	210.48	4.84	-	215.32	46.59	12.43	-	156.30	163.89
(Previous year)	210.48 (198.83)	4.84 (11.65)	-	215.32 (210.48)	46.59 (33.86)	12.43 (12.73)	-	156.30 (163.89)	163.89 (164.97)
(e) Vehicles									
Owned	14.82	-	-	14.82	12.10	0.84	-	12.94	2.72
Leased	508.45	190.76	93.89	605.32	222.84	50.64	55.81	217.67	285.61
(Previous year)	523.27 (520.32)	190.76 (2.95)	93.89	620.14 (523.27)	234.94 (187.20)	51.48 (47.74)	55.81	230.61 (234.94)	288.33 (333.12)
(f) Office equipment									
Office equipment	74.49	4.86	-	79.35	27.97	3.54	-	31.51	46.52
(Previous year)	74.49 (70.70)	4.86 (3.79)	-	79.35 (74.49)	27.97 (24.51)	3.54 (3.46)	-	31.51 (27.97)	46.52 (46.19)
(g) Computer									
Computer	72.42	6.98	0.29	79.11	50.80	8.38	0.07	59.11	21.62
(Previous year)	72.42 (60.34)	6.98 (12.08)	0.29	79.11 (72.42)	50.80 (41.17)	8.38 (9.63)	0.07	59.11 (50.80)	21.62 (19.17)
Total	44,254.94	3,441.43	94.18	47,602.19	6,346.90	2,722.60	55.88	38,588.57	37,908.04
(Previous year)	(30,923.15)	(13,325.79)	-	(44,254.94)	(4,769.71)	(1,577.20)	-	(37,908.03)	(26,159.44)
Intangible assets	Gross block			Accumulated amortisation				Net Block	
	As at 1 April, 2013	Additions	Disposals	As at 31 March, 2014	As at 1 April, 2013	Amortisation expense for the year (Note-2)	Eliminated on disposal of assets	As at 31 March, 2014	As at 31 March, 2013
Internally generated Know-how and New Brand Development (Note 2)	3,794.67	-	-	3,794.67	186.42	721.65	-	908.07	3,608.25
Total	3,794.67	-	-	3,794.67	186.42	721.65	-	908.07	3,608.25
(Previous year)	(1,909.37)	(1,885.30)	-	(3,794.67)	(114.69)	(71.73)	-	(3,608.25)	(1,794.68)

Note:

1) Includes Rs. 596.36 lacs representing additional depreciation charge on account of change from shift basis to continuous process plant for certain plant and machinery.

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

Note 11.a Non-current investments

(₹ in lacs)

Particulars	As at 31 March, 2014		
	Quoted	Unquoted	Total
Investments (At cost):			
A. Trade			
(a) Investment in equity instruments of Biotech India Limited	-	2.44	2.44
24,430 (As at 31 March, 2013: 24,430) shares of Rs.10 each fully paid up			2.44
Total - Trade (A)		2.44	2.44
B. Other investments			
(a) Investment in equity instruments of			
(i) Burroughs Welcome(India) Ltd	-	0.18	0.18
100 (As at 31 March, 2013: 100) shares of Rs.10 each fully paid up			0.18
(ii) Bank of India	0.32	-	0.32
2,900 (As at 31 March, 2013: 2,900) shares of Rs.10 each fully paid up			0.32
(iii) Catvision Products Ltd	0.22	-	0.22
2,500 (As at 31 March, 2013: 2,500) shares of Rs.10 each fully paid up			0.22
(iv) Haryana Financial Corporation	-	8.44	8.44
24,100 (As at 31 March, 2013: 24,100) shares of Rs.10 each fully paid up			8.44
(b) Investment in mutual funds			
(i) Kothari Pioneer FMCG Fund-Dividend Payout Plan	-	0.17	0.17
1,229,746 (As at 31 March, 2013: 1,229,746) Units of Rs.10 each			0.17
Total - Other investments (B)	0.54	8.79	9.33
Total (A+B)	0.54	11.23	11.77
Less: Provision for decline, other than temporary, in the carrying value			-
Total		8.79	11.77
Aggregate amount of quoted investments			0.54
Aggregate market value of listed and quoted investments			8.99
Aggregate amount of unquoted investments			11.23

Note 11.b Current investments

Particulars	As at 31 March, 2014			As at 31 March, 2013		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Current investments (At lower of cost and fair value):						
(a) Investment in mutual funds						
(i) Reliance Money Manager Fund						
683,999 (as at March 31, 2013: 639.10) units NAV of Rs. 1002.08 (as at March 31, 2013: 1001.37) each	6.85	-	6.85	6.39	-	6.39
	6.85	-	6.85	6.39	-	6.39

Note 12 Loans and advances

(₹ in lacs)

	Long term		Current	
	As at 31 March, 2014	As at 31 March, 2013	As at 31 March, 2014	As at 31 March, 2013
(a) Capital advances				
Unsecured, considered good	702.08	357.26	-	-
Doubtful	12.38	-	-	-
	714.46	357.26	-	-
Less: Provision for doubtful advances	12.38	-	-	-
	702.08	357.26	-	-
Unsecured, considered good				
(b) Security deposits	617.38	464.94	88.10	71.44
(c) Loans and advances to employees	-	-	79.12	2.54
(d) Prepaid expenses	13.11	-	229.49	225.72
(e) Advance income tax (net of provisions ₹ 444,991,852) (As at 31 March, 2013 ₹ 435,426,524))	147.36	-	-	-
(f) MAT credit entitlement (refer Note 29.2)	1,287.98	-	-	-
(g) Balances with government authorities	565.22	628.69	308.78	210.16
(h) Other loans and advances				
Unsecured, considered good*	433.87	718.02	868.25	259.40
Doubtful	-	-	59.60	-
	433.87	718.02	927.85	259.40
Less: Provision for other doubtful loans and advances	-	-	59.60	-
	433.87	718.02	868.25	259.40
Total	3,767.00	2,168.91	1,573.74	769.26

*Include ₹ 283.88 Lac (previous year ₹ 480.07 lac) as Advances to tie up units, ₹ 150 lac (previous year ₹ 150 lac) as Advances to brand franchisee, ₹ 179.01 lac (previous year ₹ 12.20 lac) related to current account of brand franchisee.

Note 13 Other current assets

	As at 31 March, 2014	As at 31 March, 2013
(a) Accruals		
Interest accrued on deposits	27.00	42.54
Total	27.00	42.54

Note 14 Inventories

(At lower of cost and net realisable value)

	As at 31 March, 2014	As at 31 March, 2013
(a) Raw materials	422.65	879.71
(b) Finished goods	3,256.60	1,791.79
(c) Packing material	566.30	556.75
(d) Fuel, Stores and spares	306.83	233.98
Total	4,552.38	3,462.23

Note 15 Trade receivables

	As at 31 March, 2014	As at 31 March, 2013
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	1,437.27	1,731.73
Doubtful	58.14	5.37
	1,495.41	1,737.10
Less: Provision for doubtful trade receivables	58.14	-
	1,437.27	1,737.10
Other Trade receivables	3,292.39	4,446.81
Unsecured, considered good	3,292.39	4,446.81
Total	4,729.66	6,183.91

Note 16 Cash and bank balances

(₹ in lacs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
A. Cash and cash equivalents		
(a) Cash on hand	4.64	47.26
(b) Balances with banks		
(i) In current accounts	445.98	2,879.91
B. Other bank balances		
In earmarked accounts		
(i) Deposits held as margin money	185.32	186.32
(ii) Unpaid dividend accounts	1.76	-
Total	637.70	3,113.49
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	450.62	2,927.17

Note 17 Revenue from operations

	For the year ended 31 March, 2014	For the year ended 31 March, 2013
(a) Sale of products (Refer Note (i) below)	65,740.50	63,675.99
(b) Sale of services (Refer Note (ii) below)	420.63	384.08
(c) Other operating revenues (Refer Note (iii) below)	41.27	-
Revenue from operations (Gross)	66,202.40	64,060.07
Less:		
(d) Excise duty	16,552.42	13,881.72
Total	49,649.98	50,178.35
(i) Sale of products comprises:		
<u>Income from own operations</u>		
Industrial Alcohol	16,228.88	13,754.85
Indian made Indian Liquor (Country Liquor)	24,572.50	30,006.64
Indian made foreign Liquor	1,080.13	2,584.08
Others- Spent grain, Organic Manure	4,674.00	5,131.56
Income from Brand Franchise	19,184.99	12,198.86
Total - Sale of products	65,740.50	63,675.99
(ii) Sale of services comprises: Bottling Charges	420.63	384.08
Total - Sale of services	420.63	384.08
(iii) Other operating revenues comprise: Duty drawback	41.27	-
Total - Other operating revenues	41.27	-

Note 18 Other income

(a) Interest income (Refer Note (i) below)	36.32	60.54
(b) Dividend income:		
on long-term investments	0.44	0.20
on liquid investment	0.45	0.82
(c) Net gain on foreign currency transactions and translation	24.09	3.85
(d) Other non-operating income (Refer Note (ii) below)	228.48	422.77
Total	289.78	488.18
(i) Interest income comprises:		
Interest from banks on deposits	15.32	60.54
Interest on loans and advances	21.00	-
Total - Interest income	36.32	60.54
(ii) Other non-operating income comprises:		
Excess Provision written back	156.02	382.00
Miscellaneous income	72.46	40.77
Total - Other non-operating income	228.48	422.77

Note 19.a Cost of materials consumed

(₹ in lacs)

	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Opening stock	1,436.46	1,928.08
Add: Purchases	31,846.35	28,975.27
	33,282.81	30,903.35
Less: Closing stock	988.95	1,436.46
Cost of materials consumed	32,293.86	29,466.89
Materials consumed comprise:		
Grain, Color and Essences	23,172.76	19,703.68
Packing Material	9,121.10	9,763.21
Total	32,293.86	29,466.89

Note 19.b Changes in inventories of finished goods

Inventories at the end of the year:		
Finished goods	3,256.60	1,791.79
	3,256.60	1,791.79
Inventories at the beginning of the year:		
Finished goods	1,791.79	2,392.44
	1,791.79	2,392.44
Net (increase) / decrease	(1,464.81)	600.65

Note 20 Employee benefits expense

Salaries and wages	1,141.54	1,183.76
Contributions to provident funds	29.53	34.10
Gratuity expense (Refer Note 24)	22.60	37.50
Staff welfare expenses	19.95	25.25
Total	1,213.62	1,280.61

Note 21 Finance costs

(a) Interest expense on:		
(i) Borrowings	909.34	620.14
(ii) Others		
- Interest on delayed payment of income tax	79.23	16.37
- Others : Bank Charges	27.09	12.97
Total	1,015.66	649.48

Note 22 Other expenses

(₹ in lacs)

	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Power and fuel	4,733.56	4,911.20
Bottling expenses/fees	3,033.83	2,050.99
Consumption of stores, spare parts and chemicals	849.19	784.17
Increase /(decrease) of excise duty on inventory	97.93	-
Excise license, establishment and supervision fees	451.43	559.79
Security	76.20	42.28
Effluent disposal	46.61	56.69
Flour and pet coke feeding	103.03	105.43
Freight and forwarding	1,330.39	1,218.51
Rent including lease rentals (refer note 27)	153.87	184.77
Repairs and maintenance - buildings	11.25	-
Repairs and maintenance - machinery	472.84	453.22
Repairs and maintenance - others	172.22	87.14
Insurance	66.78	50.70
Rates and taxes	25.48	19.58
Communication	23.63	28.01
Travelling and conveyance	169.82	162.02
Printing and stationery	32.35	39.85
Business promotion and marketing	219.80	245.09
Donations and contributions	0.63	0.50
Legal and professional	150.32	123.71
Payments to auditors (refer note (i) below)	18.92	8.55
Business surplus to franchisee	579.23	607.89
Subscription, books & periodicals	20.32	8.10
Electricity	7.92	4.79
Director's sitting fee	6.58	5.78
Loss on fixed assets sold / scrapped / written off	13.81	-
Provision for decline, other than temporary, in carrying value of investment	8.78	-
Bad trade receivables, loans and advances written off	21.79	-
Provision for doubtful trade receivables, loans and advances	130.12	-
Miscellaneous expenses	81.44	41.01
Total	13,110.07	11,799.77
(i) Payments to the auditors comprise (excluding service tax):		
(a) To statutory auditors		
For statutory audit	11.50	4.85
For taxation matters	1.00	-
For other services	4.51	0.66
Reimbursement of expenses	0.66	1.52
	17.67	7.03
(b) To cost auditors	1.25	1.52
Total	18.92	8.55

Note 23 Additional information to the financial statements**23.1 Money received against share warrants**

The Board of Directors of the Company at their meeting held on 7 January, 2013 and as approved at its Extraordinary General Meeting held on 6 February, 2013 have resolved to create, offer, issue and allot up to 1,428,572 warrants, convertible into equivalent number of equity shares of ₹ 10 each on a preferential allotment basis, pursuant to Section 81(1A) of the Companies Act, 1956, at a conversion price of ₹ 140 per equity share of the Company, arrived at in accordance with the SEBI Guidelines in this regard and subsequently 763,359 warrants were allotted on 19 March, 2013 to the Promoters and 25% application money amounting to ₹ 267.17 lacs was received from them. The warrants may be converted into equivalent number of shares on payment of the balance amount at any time on or before 18 September, 2014. In the event the warrants are not converted into shares within the said period, the Company is eligible to forfeit the amounts received towards the warrants.

23.2 **Contingent liabilities and commitments (to the extent not provided for)**

(` in lacs)

	As at 31 March, 2014	As at 31 March, 2013
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debt		
Excise duty matters	180.81	38.75
Income tax matters	215.44	-
Other matters	75.86	-
(b) Guarantees		
Guarantees by bank on behalf of company	367.33	13.79
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	233.09	-

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

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

23.4 **Details on derivative instruments and unhedged foreign currency exposures:**

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

(i) Outstanding forward exchange contracts entered into by the Company as on 31 March, 2014.

	Amount in USD	Buy / Sell	Amount in ` Lacs
Forward cover against orders to be executed / outstanding receivables	1,725,000	Sell	1,068.28
	(-)	(-)	(-)

Note: Figures in brackets relate to the previous year.

	For the year ended 31 March, 2014	For the year ended 31 March, 2013
23.5 Expenditure in foreign currency:		
Membership Fee	0.91	-

	For the year ended 31 March, 2014	For the year ended 31 March, 2013
23.6 Earnings in foreign exchange:		
Export of goods calculated on FOB basis	2,010.97	151.38

	For the year ended 31 March, 2014	For the year ended 31 March, 2013
23.7 Amounts remitted in foreign currency during the year on account of dividend on preference share capital		
Amount of dividend remitted in	335.04	-
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	1	-
Total number of shares held by them on which dividend was due	5,038,168	-
Period to which the dividend relates	Form March 19, 2013 to March 18, 2014	-

Note 24 Employee benefit plans

24.1 Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ` 29.53 lacs (Year ended 31 March, 2013 ` 34.10 lacs) for Provident Fund contributions, and ` 2.89 lacs (Year ended 31 March, 2013 ` 3.20 lacs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

24.2 Defined benefit plans

The Company's defined benefit scheme represents gratuity scheme for its employees:

The following table sets out the funded status of the defined benefit scheme and the amount recognised in the financial statements:

Particulars	Year ended 31 March,	Year ended 31 March, 2013
	Gratuity	Gratuity
Components of employer's expense		
Current service cost	14.28	15.23
Interest cost	9.29	6.51
Actuarial (gains) / losses	(0.97)	15.76
Total expense recognised in the Statement of Profit & Loss	22.60	37.50
Actual benefit payments for the year	6.31	2.76
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	132.39	116.10
Fair value of plan assets	-	-
Funded status [Surplus / (Deficit)]	(132.39)	(116.10)
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	(132.39)	(116.10)
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	116.10	81.37
Current service cost	14.28	15.23
Interest cost	9.29	6.51
Actuarial (gains) / losses	(0.97)	15.76
Past service cost	-	-
Benefits paid	(6.31)	(2.76)
Present value of DBO at the end of the year	132.39	116.11
Actuarial assumptions		
Discount rate	8.5	8
Expected return on plan assets	-	-
Salary escalation	6%	5.5%
Mortality tables	IALM (2006 - 08)	IALM (1994 - 96)
Estimate of amount of contribution in the immediate	30	30
Experience adjustments*		
	2013-2014	2012- 2013
Gratuity		
Present value of DBO	132.39	116.11
Fair value of plan assets	-	-
Funded status (Deficit)	(132.39)	(116.11)
Experience gain / (loss) adjustments on plan liabilities	1.03	(15.44)
Experience gain / (loss) adjustments on plan assets	-	-

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

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

* Information pertaining to experience adjustment have been furnished to the extent available with the Company.

Note 25 Segment Reporting

Segment information

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

Note 26 Related party transactions

26.1 Details of related parties:

Description of relationship	Names of related parties
(i) Associates	Chandbagh Investments Limited
(ii) Key Management Personnel (KMP)	Mr. Ajay Kumar Swarup Mr. Shekhar Swarup Dr. Bhaskar Roy Mr. Manik Lal Dutta Mr. R.D Aggarwal- Up to November 11, 2013
(iii) Relatives of Key Management Personnel (KMP)	Mrs. Madhavi Swarup- Wife of Mr. Ajay Kumar Swarup Mrs. Saroj Rani Swarup- Mother of Mr. Ajay Kumar Swarup Mrs. Pratima Roy- Wife of Dr. Bhaskar Roy Mrs. Anju Aggarwal- Wife of Mr. R.D Aggarwal
(iv) Entities in which KMP can exercise significant influent	Biotech India Limited Chandbagh Investments Limited GRAS education and training Services Private Limited Himalayan Spirits Limited Globus Spirits (Jharkhand) Limited Globus Trois Freres India Limited Globus Feeds Private Limited V C technologies Private Limited Northen India Alcohol Sales Private Limited Rajasthan Distilleries Private Limited Associated Distilleries Limited

26.2 Details of related party transactions during the year ended 31 March, 2014 and balances outstanding as at 31 March, 2014:

(` in lacs)

Particulars	Current Year	Previous Year
Remuneration to KMP and relatives of KMP*		
Mr. Ajay Kumar Swarup	47.70	62.70
Mr. Shekhar Swarup	22.50	19.50
Dr. Bhaskar Roy	20.21	14.80
Mr. Manik Lal Dutta	13.12	11.61
Mr. R.D Aggarwal	7.50	8.08
Mrs. Madhavi Swarup	1.86	1.86
Mrs. Saroj Rani Swarup	1.86	1.86
Mrs. Pratima Roy	13.03	11.30
Mrs. Anju Aggarwal	3.48	6.73
Rent Paid		
Rajasthan Distilleries Private Limited	15.00	45.00
Biotech India Limited	15.00	45.00
Associated Distilleries Limited	6.00	6.00

Note 26 Related party transactions (Contd.)

(₹ in lacs)

Particulars	Current Year	Previous Year
Payments made on behalf of		
Globus Trois Freres India Limited	0.18	-
Chandbagh Investments Limited	3.93	-
V C technologies Private Limited	7.38	8.45
Northern India Alcohol Sales Private Limited	0.80	-
Himalayan Spirits Limited	1.63	-
Balances outstanding at the end of the year		
Other Receivable/(Payable)		
Globus Trois Freres India Limited	0.18	-
Himalayan Spirits Limited	(0.42)	(0.42)
Relatives of KMP *	73.90	-
Trade payables		
Biotech India Limited	-	(88.65)
Rajasthan Distilleries Private Limited	-	(67.35)

*The Company has paid remuneration of ₹ 73.90 Lacs to the Relatives of Directors without special resolution in General Meeting during the current year and previous years, including ₹ 2.59 Lacs paid without obtaining the approval of the Central Government, which is not in line with provisions of Section 314 of the Companies Act, 1956. The Company has initiated the process for recovering the same and accordingly the balance has been shown as recoverable as on March 31, 2014.

Note 27 Details of leasing arrangements

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
<u>As Lessee</u>		
27.1 The Company has entered into finance lease arrangements for certain vehicles, which provide the Company an option to purchase the assets at the end of the lease period.		
Reconciliation of minimum lease payments		
Future minimum lease payments		
not later than one year	61.38	43.42
later than one year and not later than five years	162.26	77.93
later than five years	50.61	0.00
	274.25	121.35
Less: Unmatured finance charges	66.05	19.54
Present value of minimum lease payments payable	208.20	101.79
not later than one year	41.49	34.00
later than one year and not later than five years	120.61	67.81
later than five years	46.09	0.00
	208.19	101.81
27.2 The Company has entered into operating lease arrangements for certain facilities. The leases are non-cancellable and are for a period of one year and may be renewed further based on mutual agreement of the parties.		
Future minimum lease payments		
not later than one year	43.20	43.20
later than one year and not later than five years		43.20
later than five years	-	-
Lease payments recognised in the Statement of Profit and Loss	153.87	184.77

Note 28 Earnings per share

(₹ in lacs)

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Basic		
Profit for the year	427.64	3,418.57
Less: Preference dividend and tax thereon	391.98	12.89
Profit for the year attributable to the equity shareholders	35.66	3,405.68
Weighted average number of equity shares (No. of shares)	22,997,741	22,997,741
Par value per share (₹)	10	10
Earnings per share - Basic (₹)	0.16	14.81
Diluted		
Profit / (loss) for the year	427.64	3,418.57
Less: Preference dividend and tax thereon	391.98	12.89
Profit for the year attributable to the equity shareholders	35.66	3,405.68
Add: Savings on warrant	-	-
Profit attributable to equity shareholders (on dilution)	35.66	3,405.68
Weighted average number of equity shares for Basic EPS (No. of shares)	22,997,741	22,997,741
Add: Effect of Warrants (No. of Warrants)	763,359	27,188.13
Weighted average number of equity shares - for Diluted EPS (No. of shares)	23,761,100	23,024,929.13
Earnings per share - Diluted (₹)	0.15	14.79
Add: Preference dividend and tax thereon	391.98	12.89
Profit attributable to equity shareholders (on dilution)	427.64	3,418.57
Weighted average number of equity shares for Basic EPS (No. of shares)	22,997,741	22,997,741
Add: Effect of Warrants, and Convertible Preference Share capital (in Nos.)	5,801,527	206,630
Weighted average number of equity shares - for Diluted EPS (No. of shares)	28,799,268	23,204,371
Par value per share (₹)	10	10
Earnings per share - Diluted* (₹)	1.48	14.73

*5,038,168 Convertible Preference Shares potential equity shares are anti-dilutive since their conversion to equity shares would increase earning per share. Accordingly, the effect of anti-dilutive potential equity shares are ignored in calculating the diluted earning per share.

Note 29 Deferred tax (liabilities) / assets

(₹ in lacs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
29.1 Deferred tax (liabilities) / assets		
<u>Tax effect of items constituting deferred tax liabilities</u>		
On difference between book balance and tax balance of fixed assets	(5,034.79)	(3,841.98)
Tax effect of items constituting deferred tax liabilities	(5,034.79)	(3,841.98)
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for compensated absences, gratuity and other employee benefits	45.00	-
Provision for doubtful debts / advances	44.23	-
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	5.16	-
Others	2.99	-
Tax effect of items constituting deferred tax assets	97.38	-
Deferred tax (liabilities) / assets (net)	(4,937.41)	(3,841.98)

29.2 Based on projections for future taxable income, which has been approved by the Board of Directors, Minimum Alternate Tax (MAT) Credit of ₹ 1,287.98 lacs (including ₹ 1,195.95 lacs pertaining to earlier years) has been recognised during the year.

Note 30 Previous year's figures

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



GLOBUS SPIRITS LIMITED

Regd. Office: A-46, Friends Colony (East), New Delhi-110065
Corporate Office : F-0, Ground Floor, The Mira Corporate Suites, Ishwar Nagar,
Mathura Road, New Delhi-110065
CIN: L74899DL1993PLC052177

NOTICE

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of the Company will be held on Wednesday, 24th September, 2014 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, 2014, 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 appoint a Director in place of Dr. Bhaskar Roy, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sh. Shekhar Swarup, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint auditors of the company to hold office from the conclusion of this meeting till the conclusion of twenty-sixth Annual General Meeting for five consecutive years of the first term of five consecutive years, subject to ratification at every annual general meeting and to fix their remuneration. M/s Deloitte Haskins & Sells, 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, retiring auditors, are eligible for re-appointment. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

"RESOLVED THAT M/s Deloitte Haskins & Sells, 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 are hereby appointed as statutory auditors of the Company to hold office, from the conclusion of this annual general meeting till the conclusion of twenty-sixth Annual General Meeting for five consecutive years of the first term of five consecutive years, subject to ratification at every annual general meeting, on such remuneration, as may be fixed in this behalf by the board of directors of the Company."

Special Business:

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

"Resolved that in accordance with provisions of Section(s) 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013, if any, and rules made thereunder read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Sh. Santosh Kumar Bishwal (DIN 01098021), Director of the Company, in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the date of this Annual General Meeting until the conclusion of twenty Sixth Annual General Meeting of the Company."

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

"Resolved that in accordance with provisions of Section(s) 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013, if any, and rules made thereunder read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Sh. Joginder Singh Dhamija (DIN 01409464), Director of the Company, in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the

Company to hold office for a term of five consecutive years from the date of this Annual General Meeting until the conclusion of twenty Sixth Annual General Meeting of the Company.”

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

“Resolved that in accordance with provisions of Section(s) 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013, if any, and rules made thereunder read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Sh. Vivek Gupta (DIN 00035916), Director of the Company, in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the date of this Annual General Meeting until the conclusion of twenty Sixth Annual General Meeting of the Company.”

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

“Resolved that in accordance with provisions of Section(s) 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013, if any, and rules made thereunder read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Sh. Kunal Agarwal (DIN 02416218), Director of the Company, in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the date of this Annual General Meeting until the conclusion of twenty Sixth Annual General Meeting of the Company.”

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

“Resolved that in accordance with provisions of Section(s) 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013, if any, and rules made thereunder read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Sh. Gautam Premnath Khandelwal (DIN 00270717), Director of the Company, in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the date of this Annual General Meeting until the conclusion of twenty Sixth Annual General Meeting of the Company.”

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

RESOLVED THAT pursuant to the provisions of Section(s) 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 (corresponding to Sections 269, 198, 309, 311 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956) and subject to the approval of the Central Government and other statutory approvals, if required, and pursuant to the provisions of Article of Association of the company, the Company hereby approves the re-appointment of Mr. Manik Lal Dutta (DIN 00769308), as Executive / Whole-time Director of the Company, whose period shall be determined by liable to retire by rotation on the following remuneration and terms and conditions which were approved and recommended by the Nomination and Remuneration Committee:-

Basic Salary	: Rs.1,25,400/- per month with suitable increases as determined by the Board.
HRA	: Rs.50,000/- per month with suitable increases as determined by the Board.
Medical Allowance	: Rs.1,250/- per month with suitable increases as determined by the Board.
LTA	: Rs.15,000/- per annum with suitable increases as determined by the Board.
Other Allowances	: Rs.50,800/- per month with suitable increases as determined by the Board.
Variable Pay	: Rs.23,200/- per month with suitable increases as determined by the Board
Provision for Increment	: such rate as determined by the Board subject to maximum of 10% p.a.

Perquisites:

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

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

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

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

RESOLVED THAT pursuant to the provisions of Section(s) 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 (corresponding to Sections 269, 198, 309, 311 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956) and subject to the approval of the Central Government and other statutory approvals, if required, and pursuant to the provisions of Article of Association of the company, the Company hereby approves the increase in the remuneration of Dr. Bhaskar Roy (DIN 02805627), the Executive Director & CFO of the Company, whose period is determined by liable to retire by rotation and such increase in the remuneration and variation of the terms and conditions are approved and recommended by the Nomination and Remuneration Committee. His remuneration is as under:-

Basic Salary	: Rs.1,74,350/- per month with suitable increases as determined by the Board.
Medical Reimbursement	: Rs.1,250/- per month with suitable increases as determined by the Board
Special Allowance	: Rs.36,150/- per month with suitable increases as determined by the Board.
Other Allowances	: Rs.87,025/- per month with suitable increases as determined by the Board.
LTA	: Rs.15,000/- per annum with suitable increases as determined by the Board.
Variable Pay	: Rs.74,975/- per month with suitable increases as determined by the Board
Provision for Increment	: such rate as determined by the Board subject to maximum of 10% p.a.

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

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

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

RESOLVED THAT pursuant to the provisions of Section(s) 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 (corresponding to Sections 269, 198, 309, 311 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956) and subject to the approval of the Central Government and other statutory approvals, if required, and pursuant to the provisions of Article of Association of the company, the Company hereby approves the increase in the remuneration of Sh. Shekhar Swarup (DIN 00445241), the Executive Director of the Company, whose period is determined by liable to retire by rotation and such increase in the remuneration and variation of the terms and conditions are approved and recommended by the Nomination and Remuneration Committee. His remuneration is as under:-

Basic Salary	: Rs.1,00,000/- per month with suitable increases as determined by the Board.
HRA	: Rs.50,000/- per month with suitable increases as determined by the Board.
Conveyance	: Rs.800/- per month with suitable increases as determined by the Board
Medical Reimbursement	: Rs.1,250/- per month with suitable increases as determined by the Board
Special Allowance	: Rs.72,950/- per month with suitable increases as determined by the Board.
Other Allowances	: Rs.15,000/- per month with suitable increases as determined by the Board.
Variable Pay	: Rs.60,000/- per month with suitable increases as determined by the Board
Provision for Increment	: such rate as determined by the Board subject to maximum of 10% p.a.

Perquisites:

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

- I. Gratuity not exceeding half month's salary for each completed year of service subject to a ceiling of Rs.10 Lakhs.
- II. Bonus as per company's rules and regulations.

- III. Provision of car with driver for use of company's business and for private purpose.
- IV. Telephone facility for use of company's business purpose.
- V. Earned / Privilege Leave :One month's leave with full pay and allowances for every 11 months of service subject to the condition that leave accumulated but not availed of will not be allowed to be encashed.

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

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

RESOLVED THAT pursuant to the provisions of Section(s) 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 (corresponding to Sections 269, 198, 309, 311 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956) and subject to the approval of the Central Government and other statutory approvals, if required, and pursuant to the provisions of Article of Association of the company, the Company hereby approves the payment of remuneration to Sh. Ajay Kumar Swarup (DIN 00035194), the Managing Director of the Company, who was appointed for a period of 5 years w.e.f. 01st December 2011 and such remuneration and the terms and conditions of appointment are approved and recommended by the Nomination and Remuneration Committee. His remuneration is as under:-

Basic Salary	: Rs. 3,50,000/- per month with suitable increases as determined by the Board.
HRA	: Rs. 1,40,000/- per month with suitable increases as determined by the Board.
Special Allowance	: Rs. 30,000/- per month with suitable increases as determined by the Board.
Variable Pay	: Rs. 1,05,000/- per month with suitable increases as determined by the Board
Provision for Increment	: such rate as determined by the Board subject to maximum of 10% p.a.

Perquisites:

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

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

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

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

"RESOLVED THAT pursuant to the section 180 (1) (c) of the Companies Act, 2013, read with applicable rules made there under and/or any other provision as may be applicable and subject to applicable provisions of Articles of Association of the Company, 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 Rs. 400 Crores (Rupees Four Hundred 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."

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

"RESOLVED THAT in accordance with provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of the Central Government as may be applicable, Niraj Kumar Vishwakarma & Associates, appointed as the cost auditors of the company to conduct audit of cost accounting records maintained by the Company for various products manufactured by the Company for the year ending on 31/03/2015, be paid remuneration amounting to Rs. 80,000/- plus service tax and out-of-pocket expenses."

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

RESOLVED THAT Pursuant to section 188 of Companies Act 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and/or any other provisions as may be applicable, the approval of the Company be and is hereby given to the related party transaction with M/s Associated Distilleries Limited for taking on lease/rent the factory land & Building owned by Associated Distillery Limited situated at Hisar Bye-pass, National Highway, Hisar (Haryana) for a sum of Rs. 50,000/- (Rupees Fifty Thousand only) per month.

RESOLVED FURTHER THAT the particulars of the above said contract be entered in the Register of contracts in which directors are interested kept in accordance with the provisions of section 189 of the Companies Act, 2013(The Act) or in any other register or record as may be required by the provisions of the Act or rules made thereunder .”

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

RESOLVED THAT Pursuant to section 188 of Companies Act 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and/or any other provisions as may be applicable, the approval of the Company be and is hereby given to the related party transaction with M/s Biotech India Limited for taking on lease/rent the office premises owned by Biotech India Limited situated at F-0, The Mira Corporate Suites, Plot No.1&2, Ishwar Nagar, Mathura Road, New Delhi-110065 for a sum of Rs.3,75,000/- (Rupees Three Lacs Seventy-five Thousand only) per month.

RESOLVED FURTHER THAT the particulars of the above said contract be entered in the Register of contracts in which directors are interested kept in accordance with the provisions of section 189 of the Companies Act, 2013(The Act) or in any other register or record as may be required by the provisions of the Act or rules made thereunder .”

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

RESOLVED THAT Pursuant to section 188 of Companies Act 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and/or any other provisions as may be applicable, the approval of the Company be and is hereby given to the related party transaction with M/s Rajasthan Distilleries Private Limited for taking on lease/rent the office premises owned by Rajasthan Distilleries Private Limited situated at F-0, The Mira Corporate Suites, Plot No.1&2, Ishwar Nagar, Mathura Road, New Delhi-110065 for a sum of Rs.3,75,000/- (Rupees Three Lacs Seventy-five Thousand only) per month.

RESOLVED FURTHER THAT the particulars of the above said contract be entered in the Register of contracts in which directors are interested kept in accordance with the provisions of section 189 of the Companies Act, 2013(The Act) or in any other register or record as may be required by the provisions of the Act or rules made thereunder .”

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

RESOLVED THAT Pursuant to section 188 of Companies Act 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and/or any other provisions as may be applicable, the consent of the members of the company be and is hereby accorded for transactions of sale, purchase, export of various products of the company & other related services with its wholly owned subsidiary M/s Globus Trade Bay Limited for such period as the Directors may think fit for aggregating up to a sum of Rs.200crores.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to enter into such contracts as may be required for this purpose and to take all steps and to do all activities as may be necessary and incidental to the implementation of this resolution.

RESOLVED FURTHER THAT the particulars of the above said contract be entered in the Register of contracts in which directors are interested kept in accordance with the provisions of section 189 of the Companies Act, 2013(The Act) or in any other register or record as may be required by the provisions of the Act or rules made thereunder .”

By Order of the Board
For Globus Spirits Limited

Place : New Delhi
Date : 14/08/2014

Sd/-
(Santosh Kumar Pattanayak)
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 102 of the Companies Act, 2013 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 22nd Sept., 2014 to 24th Sept., 2014 (both 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. Electronic Copy of the Annual Report and the Notice of the AGM of the company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the above documents are being sent in the permitted mode. Members are requested to get registered their e-mail ids with the Company or the Registrar and Share Transfer Agent for further communication.
 9. The Company is extending its offer of e-voting facility as an alternative, for its members to enable them to cast their votes electronically instead of physical ballot.
- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 21st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Ltd. ("CDSL"):

The instructions for Members for voting electronically are as under:-

(A) In case of Members receiving e-mail from the Company's Registrar & Share Transfer Agent [for Members whose email Ids are registered with the Company's Registrar & Share Transfer Agent/Depository Participant(s)]:

- (i) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- (ii) Log on to the e-voting website www.evotingindia.com.
- (iii) Click on "Shareholders" tab to cast your votes.
- (iv) Now Select the relevant Electronic Voting Sequence Number (EVSN) - along with "Company Name-M/s Globus Spirits Limited" from the drop down menu and click on the "SUBMIT" for voting
- (v) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.	

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login.

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Members holding shares in physical form will then reach directly to the EVSN selection screen. However, members holding shares in demat form will now reach ‘Password Change’ menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@ # \$ % & *). Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
- (viii) Now Select the relevant Electronic Voting Sequence Number (EVSN) - alongwith “Company Name-M/s Globus Spirits Limited” on which you choose to vote.
- (ix) On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- (xi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(B) In case of Members receiving the physical copy of Notice of AGM [for Members whose e-mail IDs are not registered with the Company’s Registrar & Share Transfer Agent/ Depository Participant(s) or requesting physical copy]:

Please follow all steps from sl. no. (ii) to sl. no. (xii) above, to cast vote.

(C) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.

- II. The voting period begins on September 18, 2014 (9:30 am) and ends on September 20, 2014 (5:30 p.m.). During this period Members’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 22, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
 - III. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
 - IV. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of August 22, 2014.
 - V. Mr. Sundeep Kumar Parashar, FCS, Company Secretary in Practice has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - VI. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - VII. The Results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website www.globusspirits.com and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and the National Stock Exchange of India Limited.
10. Details of the Directors seeking appointment/reappointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement):

Name	Dr. Bhaskar Roy	Sh. Shekhar Swarup	Sh. Santosh Kumar Bishwal	Sh. Joginder Singh Dhamija
Age	51 Years	28 Years	67 Years	80 Years
Qualifications	M.Com, FCA, PHD	Degree in Business & Management from University of Bradford, UK	B. Sc (Eng) Mech, M. Tech (IIT) (Industrial Engg & Operations Research)	B.A, LLB, PCS (Retd.)
Expertise in specific functional area	He has vast experience in Strategic Financial Planning & controlling, Fund Management, Accounts, Auditing, Budgeting and MIS etc.	A strategic planner and a marketer at heart, he started up the branded liquors division in the company.	He has vast experience in entire manufacturing process of distilleries & brewery units.	He has got almost 50 years of vast experience in heading many distilleries & brewery units.
Date of appointment as Director of the Company	22.10.2009	26.05.2012	20.02.2007	20.02.2007
Directorship of other companies #	1. M/s Globus Spirits (Jharkhand) Limited 2. M/s Globus Trois Freres India Ltd.	1. M/s Himalayan Spirits Limited 2. M/s Globus Spirits (Jharkhand) Ltd. 3. M/s Globus Trois Freres India Ltd. 4. M/s Chandbagh Investments Limited	M/s Kalinga Hospitals Limited.	NIL
Chairman/Member of Committees of other Companies+	NIL	NIL	NIL	NIL
No. of shares held*	100	53,600	NIL	NIL
Inter-se relationship with other Directors	NIL	Son of Sh. Ajay Kumar Swarup, (Managing Director)	NIL	NIL

Name	Sh. Vivek Gupta	Sh. Kunal Agarwal	Sh. Gautam Premnath Khandelwal	Sh. Manik Lal Dutta
Age	46	27 Years	51 Years	68
Qualifications	B.Com (Hons) from Delhi University	A.B. (Hons.) degree in Economics from Harvard College	B A (Economics)	M. Tech, PGDBM
Expertise in specific functional area	He is a prominent Industrialist & has over 20 years experience in the corporate sector.	He is an Industrialist & has experience in senior management in the corporate sector.	Prominent Industrialist having wide business experience.	He is the overall in-charge and responsible for production, planning, IMFL blends, brand development etc.
Date of appointment as Director of the Company	11.08.2012	11.08.2012	16.02.1993	01.08.2006
Directorship of other companies #	1. Delton Cables Ltd, 2. Vishranti Trading Enterprises Ltd., 3. B&M Trading & Investments Co. Ltd. 4. Saneh Industrial Investments Ltd. 5. Ram Kumar Gupta & Sons Ltd. 6. Delton International Ltd.	NIL	1. Nagpur Power & Industries Limited 2. Informed Technologies India Limited	NIL
Chairman/Member of Committees of other Companies+	M/s Delton Cables Ltd	NIL	M/s Informed Technologies India Limited	NIL
No. of shares held*	NIL	215	33	2,100
Inter-se relationship with other Directors	NIL	NIL	NIL	NIL

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

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

* Shares held by Directors are considered as on 31/03/2014.

11. The Company has paid the listing fees for year 2014-15 to both the Stock Exchanges i.e. NSE and BSE, where its' securities are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM No. 5

Sh. Santosh Kumar Bishwal, aged 67 years, Independent Director of our company is on the Board since 20th February 2007. His detail information required to be disclosed pursuant to clause 49 of the Listing Agreement is given above as a part of AGM Notice. As required, notice under section 160 of the companies Act, 2013 has been received from the shareholder proposing the appointment of Sh. Santosh Kumar Bishwal as Director of the company. Accordingly, the Board recommends the resolution to be passed by the shareholders as per the requirements of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel or their relatives except Sh. Santosh Kumar Bishwal is interested in the resolution.

ITEM No. 6

Sh. Joginder Singh Dhamija, aged 80 years, Independent Director of our company is on the Board since 20th February 2007. His detail information required to be disclosed pursuant to clause 49 of the Listing Agreement is given above as a part of AGM Notice. As required, notice under section 160 of the companies Act, 2013 has been received from the shareholder proposing the appointment of Sh. Joginder Singh Dhamija as Director of the company. Accordingly, the Board recommends the resolution to be passed by the shareholders as per the requirements of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel or their relatives except Sh. Joginder Singh Dhamija is interested in the resolution.

ITEM No. 7

Sh. Vivek Gupta, aged 46 years, Independent Director of our company is on the Board since 11th August 2012. His detail information required to be disclosed pursuant to clause 49 of the Listing Agreement is given above as a part of AGM Notice. As required, notice under section 160 of the companies Act, 2013 has been received from the shareholder proposing the appointment of Sh. Vivek Gupta as Director of the company. Accordingly, the Board recommends the resolution to be passed by the shareholders as per the requirements of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel or their relatives except Sh. Vivek Gupta is interested in the resolution.

ITEM No. 8

Sh. Kunal Agarwal, aged 27 years, Independent Director of our company is on the Board since 11th August 2012. His detail information required to be disclosed pursuant to clause 49 of the Listing Agreement is given above as a part of AGM Notice. As required, notice under section 160 of the companies Act, 2013 has been received from the shareholder proposing the appointment of Sh. Kunal Agarwal as Director of the company. Accordingly, the Board recommends the resolution to be passed by the shareholders as per the requirements of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel or their relatives except Sh. Kunal Agarwal is interested in the resolution.

ITEM No. 9

Sh. Gautam Premnath Khandelwal, aged 51 years, Independent Director of our company is on the Board since 16th February 1993. His detail information required to be disclosed pursuant to clause 49 of the Listing Agreement is given above as a part of AGM Notice. As required, notice under section 160 of the companies Act, 2013 has been received from the shareholder proposing the appointment of Sh. Gautam Premnath Khandelwal as Director of the company. Accordingly, the Board recommends the resolution to be passed by the shareholders as per the requirements of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel or their relatives except Sh. Gautam Premnath Khandelwal is interested in the resolution.

ITEM No. 10

Your Board of Directors proposes to re-appoint Sh. Manik Lal Dutta, as Executive Director of the company. As per provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013, and pursuant to the provisions of Article of Association of the company, re-appointment of and payment of remuneration to Sh. Manik Lal Dutta as Executive Director of the company requires confirmation of Share Holders of the company by passing Ordinary Resolution in the General Meeting of the company. His detail information required to be disclosed pursuant to clause 49 of the Listing Agreement is given above as a part of AGM Notice. As required, notice under section 160 of the companies Act,

2013 has been received from the shareholder proposing the appointment of Sh. Manik Lal Dutta as Executive Director of the company. Accordingly, the Board recommends the resolution to be passed by the shareholders as per the requirements of the Companies Act, 2013.

The information required to be given as per Section II of Part II of Schedule V of the Companies Act, 2013 is detailed below:

- I) General Information : Refer Annexure - 1
II) Information about Sh. Manik Lal Dutta :

(1) Background Details	Given above as a part of AGM Notice.
(2) Past Remuneration	2011-12 : Rs. 12,00,439/- 2012-13 : Rs. 11,60,880/- 2013-14 : Rs. 13,12,056/-
(3) Recognition or Awards	Nil
(4) Proposed Remuneration	As mentioned in Resolution
(5) Comparative Remuneration	Suitable in view of the vast experience and professional qualifications of Mr. Manik Lal Dutta.
(7) Relationship	Mr. Manik Lal Dutta does not have any other pecuniary relationship and is also not related to any managerial personnel of the Company.

- III) Other Information: Refer Annexure - 2
IV) Disclosures:

Remuneration Package	As mentioned in Resolution.
Other information	As per Corporate Governance Report

None of the Directors, Key Managerial Personnel or their relatives of the company except Sh. Manik Lal Dutta has any interest in the proposed resolution.

ITEM No. 11

Your Board of Directors proposes to increase remuneration of Dr. Bhaskar Roy, the Executive Director & CFO of the company whose period shall be determined by liable to retire by rotation. As per provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013, and pursuant to the provisions of Article of Association of the company, such increase in remuneration payable to Dr. Bhaskar Roy requires confirmation of Share Holders of the company by passing Ordinary Resolution in the General Meeting of the company. His detail information required to be disclosed pursuant to clause 49 of the Listing Agreement is given above as a part of AGM Notice. Accordingly, the Board recommends the resolution to be passed by the shareholders as per the requirements of the Companies Act, 2013.

The information required to be given as per Section II of Part II of Schedule V of the Companies Act, 2013 is detailed below:

- I) General Information : Refer Annexure - 1
II) Information about Dr. Bhaskar Roy :

(1) Background Details	Given above as a part of AGM Notice.
(2) Past Remuneration	2011-12 : Rs.14,91,820/- 2012-13 : Rs.14,79,600/- 2013-14 : Rs.20,21,275/-
(3) Recognition or Awards	Nil
(4) Proposed Remuneration	As mentioned in Resolution
(5) Comparative Remuneration	Suitable in view of the vast experience and professional qualifications of Dr. Bhaskar Roy.
(7) Relationship	Dr. Bhaskar Roy does not have any other pecuniary relationship and is also not related to any managerial personnel of the Company.

- III) Other Information: Refer Annexure - 2
IV) Disclosures:

Remuneration Package	As mentioned in Resolution.
Other information	As per Corporate Governance Report

None of the Directors, Key Managerial Personnel or their relatives of the company except Dr. Bhaskar Roy has any interest in the proposed resolution.

ITEM No. 12

Your Board of Directors proposes to increase remuneration of Sh. Shekhar Swarup, the Executive Director of the company. As per provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013, and pursuant to the provisions of Article of Association of the company, such increase in remuneration payable to Sh. Shekhar Swarup requires confirmation of Share Holders of the company by passing Ordinary Resolution in the General Meeting of the company. His detail information required to be disclosed pursuant to clause 49 of the Listing Agreement is given above as a part of AGM Notice. Accordingly, the Board recommends the resolution to be passed by the shareholders as per the requirements of the Companies Act, 2013.

The information required to be given as per Section II of Part II of Schedule V of the Companies Act, 2013 is detailed below:

I) General Information : Refer Annexure - 1

II) Information about Sh. Shekhar Swarup :

(1) Background Details	Given above as a part of AGM Notice.
(2) Past Remuneration	2011-12 : Rs.6,63,000/- 2012-13 : Rs.19,50,000/- 2013-14 : Rs.22,50,000/-
(3) Recognition or Awards	Nil
(4) Proposed Remuneration	As mentioned in Resolution
(5) Comparative Remuneration	Suitable in view of the vast experience and professional qualifications of Sh. Shekhar Swarup.
(7) Relationship	Sh. Shekhar Swarup is the son of Managing Director of the Company.

III) Other Information: Refer Annexure - 2

IV) Disclosures:

Remuneration Package	As mentioned in Resolution.
Other information	As per Corporate Governance Report

None of the Directors, Key Managerial Personnel or their relatives of the company except Sh. Shekhar Swarup and his relatives has any interest in the proposed resolution.

ITEM No. 13

In the situation of inadequacy of profit for the FY2013-14, your Board of Directors proposes to pay the remuneration of Sh. Ajay Kumar Swarup, the Managing Director of the company. As per provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013, and pursuant to the provisions of Article of Association of the company, such payment of remuneration to Sh. Ajay Kumar Swarup requires confirmation of Share Holders of the company by passing Special Resolution in the General Meeting of the company. His detail information required to be disclosed pursuant to clause 49 of the Listing Agreement is given above as a part of AGM Notice. Accordingly, the Board recommends the resolution to be passed by the shareholders as per the requirements of the Companies Act, 2013.

The information required to be given as per Section II of Part II of Schedule V of the Companies Act, 2013 is detailed below:

I) General Information : Refer Annexure - 1

II) Information about Sh. Ajay Kumar Swarup :

(1) Background Details	Given above as a part of AGM Notice.
(2) Past Remuneration	2011-12 : Rs.39,63,690/- 2012-13 : Rs.62,70,000/- 2013-14 : Rs.47,70,000/-
(3) Recognition or Awards	Nil
(4) Proposed Remuneration	As mentioned in Resolution
(5) Comparative Remuneration	Suitable in view of the vast experience and professional qualifications of Sh. Ajay Kumar Swarup.
(7) Relationship	Sh. Ajay Kumar Swarup is the father of Sh. Shekhar Swarup, Executive Director of the Company.

III) Other Information: Refer Annexure - 2

IV) Disclosures:

Remuneration Package	As mentioned in Resolution.
Other information	As per Corporate Governance Report

None of the Directors, Key Managerial Personnel or their relatives of the company except Sh. Ajay Kumar Swarup and his relatives has any interest in the proposed resolution.

ITEM No. 14

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 India, for which Company requires funds.

The members in Annual General Meeting held on 25th September, 2013 authorised the Board to borrow from time to time up to an amount not exceeding Rs.350 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 180 (1) (c) of the Companies Act, 2013 for increasing the borrowing powers of the Board of Director of the Company to an aggregate of Rs. 400 Crores (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) from the present limit of Rs.350Crores. Your Directors proposes the resolution for your approval as Ordinary Resolution.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Resolution.

ITEM No. 15

The Board of Directors at its meeting held on 29th May, 2014 appointed M/s. Niraj Kumar Vishwakarma & Associates, Cost Accountants as the Cost Auditor to conduct audit of cost accounting records maintained by the Company for various products manufactured by the Company for the year ending on 31/03/2015, at a remuneration amounting to Rs.80,000/- plus service tax and out-of-pocket expenses.. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor shall be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for approving the Ordinary Resolution as set out in Item No. 15 for ratification by the shareholders at the ensuing Annual General Meeting of the Company.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Resolution.

ITEM No. 16

Your Board of Directors at their meeting held on 29th May, 2014 approved for the existing related party transaction with M/s Associated Distilleries Limited for leasing out of the factory land & building owned by M/s Associated Distilleries Limited situated at Hisar Bye-pass, National Highway, Hisar (Haryana) for a sum of Rs. 50,000/- (Rupees Fifty Thousand only) per month. In terms of the provisions of section 188 of Companies Act 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, the approval of the shareholders of the company by passing special resolution is required for such related party transaction. The Audit Committee of the Board has also accorded their consent for this related party transaction.

Accordingly, consent of the members is sought for approving the Special Resolution as set out in Item No. 16 for ratification by the shareholders at the ensuing Annual General Meeting of the Company.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Resolution except Sh. Ajay Kumar Swarup, Managing Director & Sh. Shekhar Swarup, Executive director of the company and their relatives who are Promoters in M/s Associated Distilleries Limited.

ITEM No. 17

Your Board of Directors at their meeting held on 29th May, 2014 approved for the existing related party transaction with M/s Biotech India Limited for leasing out of the office premises owned by Biotech India Limited situated at F-0, The Mira Corporate Suites, Plot No.1&2, Ishwar Nagar, Mathura Road, New Delhi-110065 for a sum of Rs.3,75,000/- (Rupees Three Lacs Seventy-five Thousand only) per month. In terms of the provisions of section 188 of Companies Act 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, the approval of the shareholders of the company by passing special resolution is required for such related party transaction. The Audit Committee of the Board has also accorded their consent for this related party transaction.

Accordingly, consent of the members is sought for approving the Special Resolution as set out in Item No. 17 for ratification by the shareholders at the ensuing Annual General Meeting of the Company.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Resolution except Sh. Ajay Kumar Swarup, Managing Director & Sh. Shekhar Swarup, Executive director of the company and their relatives who are Promoters & Directors in M/s Biotech India Limited.

ITEM No. 18

Your Board of Directors at their meeting held on 29th May, 2014 approved for the existing related party transaction with M/s Rajasthan Distilleries Private Limited for leasing out of the office premises owned by Rajasthan Distilleries Private Limited situated at F-0, The Mira Corporate Suites, Plot No.1&2, Ishwar Nagar, Mathura Road, New Delhi-110065 for a sum of Rs.3,75,000/- (Rupees Three Lacs Seventy-five Thousand only) per month. In terms of the provisions of section 188 of Companies Act 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, the approval of the shareholders of the company by passing special resolution is required for such related party transaction. The Audit Committee of the Board has also accorded their consent for this related party transaction.

Accordingly, consent of the members is sought for approving the Special Resolution as set out in Item No. 18 for ratification by the shareholders at the ensuing Annual General Meeting of the Company.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Resolution except Sh. Ajay Kumar Swarup, Managing Director & Sh. Shekhar Swarup, Executive director of the company and their relatives who are Promoters & Directors in M/s Rajasthan Distilleries Private Limited.

ITEM No. 19

The Company has formed a wholly owned subsidiary company in the name of M/s Globus Trade Bay Limited in the Offshore Zone of the Emirate of Ras Al Khaimah, United Arab Emirates to explore foreign markets for carrying on its Export Business more efficiently. In terms of the provisions of section 188 of Companies Act 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, the approval of the shareholders of the company by passing special resolution is required for carrying out the sale, purchase, export of various products and other related services with its wholly owned subsidiary company M/s Globus Trade Bay Limited up to a maximum amount of Rs.200crores and up to such period as the Directors of the company may think fit.

Accordingly, consent of the members is sought for approving the Special Resolution as set out in Item No. 19 at the ensuing Annual General Meeting of the Company.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Resolution except Dr. Bhaskar Roy, Executive director of the company being director in both the companies and M/s Chandbagh Investments Limited being associate company of Globus Spirits Limited in terms of section 2(76)(viii) of The Companies Act, 2013.

ANNEXURE - 1**1) General Information :**

(1)	Nature of Industry	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..
(2)	Year of commencement of commercial production :	1993-94.
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus :	Not Applicable

(4) Financial Performance based on the given indicators:

(Rs. in Lakh)

Particulars	F.Y. 2011 -12	F.Y. 2012 -13	F.Y. 2013 -14
Net Sales	50697.57	50178.34	49649.99
Other Income	68.48	488.19	289.78
Total Income	50766.05	50666.53	49939.78
Expenditure	43269.23	43147.93	45152.75
Depreciation	1229.66	1648.93	2847.90
Interest	482.30	649.49	1015.66
Profit / (Loss) before exceptional items and tax	5775.14	5220.17	923.46
Provision for taxation (including Deferred tax)	1685.90	1 801.63	(100.52)
Profit / (Loss) after tax	4089.23	3418.54	427.63

(5).	Export performance based on the given indicators	During the year 2013-14, total foreign exchange earnings were Rs.2010.97 lacs.
(6).	Foreign investments or collaborators, if anyNot Applicable....

ANNEXURE - 2

III) Other Information :

(1)	Reasons of inadequate profits	The financial performance of GSL was affected due to the high input costs especially raw materials cost. Further, interest cost and depreciation/amortization of Fixed Assets were also another factors effecting the financial performance of the Company.
(2)	Steps taken or proposed to be taken for improvement	The Company has taken the following steps to negate the adverse impact in the coming years - 1) Improvement in Productivity 2) Higher capacity utilization & value added by-products 3) Increase in realization of various products.
(3)	Expected increase in productivity and profits in measurable terms	With the above measures, the operating efficiencies and profits of the Company is expected to increase.

By Order of the Board
For Globus Spirits Limited

Place : New Delhi
Date : 14/08/2014

Sd/-
(Santosh Kumar Pattanayak)
Company Secretary



GLOBUS SPIRITS LIMITED

CIN: L74899DL1993PLC052177

Regd. 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
21st Annual General Meeting of the Company to be held on Wednesday, the 24th September, 2014 at 11:00 A.M. at
Delton Hall, 2, institutional Area, Lodhi Road, New Delhi-110003 and at any adjournment thereof.

Date.....

Signature(s).....

Revenue
Stamp

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.



GLOBUS SPIRITS LIMITED

CIN: L74899DL1993PLC052177

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

ATTENDANCE SLIP

Folio No.

DP ID*

CLIENT ID*

I hereby record my presence at the 21st Annual General Meeting of the Company held on Wednesday, the 24th
September, 2014 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



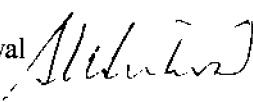
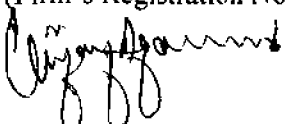

Note: This attendance slip duly filled in should be handed over at the entrance of the meeting hall.

* Applicable for investors holding shares in demat form.



FORM A

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	31 st March 2014
3.	Type of Audit observation	Emphasis of Matter Attention is invited to note no.26, which describes that the Company has paid remuneration of Rs.73.90 Lacs to the Relatives of Directors without special resolution in General Meeting during the current year and previous years, including Rs. 2.59 Lacs paid without obtaining the approval of the Central Government, which is not in line with provisions of Section 314 of the Companies Act, 1956. The Company has initiated the process for recovering the same and accordingly the balance has been shown as recoverable as on March 31, 2014. Our opinion is not qualified in respect of this matter.
4.	Frequency of observation	1 st year of observation.
5.	To be signed by- <ul style="list-style-type: none"> Managing Director CFO Audit Committee Chairman Auditor of the company 	<p>Mr. Ajay Kumar Swarup </p> <p>Dr. Bhaskar Roy </p> <p>Sh. Santosh Kumar Bishwal </p> <p>For Deloitte Haskins & Sells Chartered Accountants (Firm's Registration No. 015125N)  Vijay Agarwal Partner (Membership No. 094468)</p> 

Globus Spirits Limited

(Corporate Identity Number: L74899DL1993PLC052177)

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

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

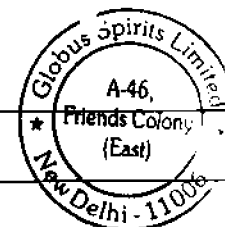
E-Mail: corpoffice@globusgroup.in Web: www.globusspirits.com



FORM B

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	31 st March 2014
3.	Type of Audit qualification	<p>Basis for Qualified Opinion</p> <p>As on March 31, 2014, Fixed Assets include Intangible Assets aggregating to Rs.2,886.60 Lacs (March 31, 2013 – Rs.3,608.25 Lacs) under the head “Knowhow and New Brand Development” representing intangibles internally generated by the Company through expenditure on advertisement and promotional expenses. Such recognition is not in accordance with Accounting Standard – 26 “Intangible Assets”. Had the Company complied with requirements of AS-26, Fixed Assets as at March 31, 2014 would have been lower by Rs.2,886.60 Lacs (March 31, 2013 – Rs.3,608.25 Lacs), Depreciation and amortisation expense for the year would be lower by Rs.721.65 Lacs, Net profit after taxes for the year would be converted into net losses after tax of Rs.1,477.82 Lacs and Reserves and Surplus would be lower by Rs.1,905.45 Lacs.</p>
4.	Frequency of qualification	1 st year of observation.
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>Note No.10(2) inserted in financial statements :-</p> <p>Intangible assets - During the current period the expenses incurred on brand promotion were expensed off, however, up to 31/03/2013 the same were being capitalised since the brands were under establishment during that period. Further, during the year, an amount of Rs. 721.65 Lacs has been debited to Statement of Profit and Loss to amortise these assets over 5 years.</p> <p>Management Response to the qualification in the directors report:</p> <p>During the current period the expenses incurred on brand promotion were expensed off, however, up to 31/03/2013 the same were being capitalised since the brands were under establishment during that period. Further, during the year, an amount of Rs. 721.65 Lacs has been debited to Statement of Profit and Loss to amortise these assets over 5 years.</p>
6.	Additional comments from the board/audit committee chair:	None
7.	To be signed by-	



Globus Spirits Limited

(Corporate Identity Number: L74899DL1993PLC052177)

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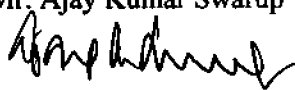

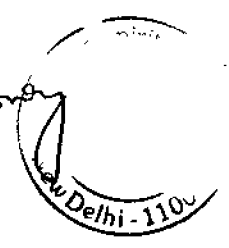
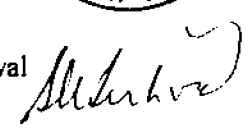
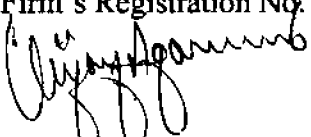
Registered Office: A-46, Friends Colony (East), New Delhi 110065

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E-Mail: corppoffice@globusgroup.in Web: www.globusspirits.com

	<ul style="list-style-type: none"> Managing Director 	<p>Mr. Ajay Kumar Swarup</p> 
	<ul style="list-style-type: none"> CFO 	<p>Dr. Bhaskar Roy</p>  
	<ul style="list-style-type: none"> Audit Committee Chairman 	<p>Sh. Santosh Kumar Bishwal</p> 
	<ul style="list-style-type: none"> Auditor of the company 	<p>For Deloitte Haskins & Sells Chartered Accountants (Firm's Registration No. 015125N)</p>  <p>Vijay Agarwal Partner (Membership No. 094468)</p>