



## **GLOBUS SPIRITS LIMITED**

CIN: L74899DL1993PLC052177

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

Tel : 011-66424600 Fax : 011-66424629

E Mail : corpoffice@globusgroup.in, Website : www.globusspirits.com

### **NOTICE**

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Members of M/s Globus Spirits Limited will be held on Monday, 28th September, 2015 at 11:00 A.M. at the Auditorium of IETE, 2, Institutional Area, Lodhi Road, New Delhi-110003, to transact the following business:

#### **Ordinary Business:**

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March 2015 including audited Balance Sheet as at 31<sup>st</sup> March, 2015, the statement of Profit & Loss for the year ended on that date, the Reports of the Auditors thereon and Directors report along with its annexures.
2. To appoint a Director in place of Sh. Manik Lal Dutta, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sh. Rajesh Sehgal, who retires by rotation and, being eligible, offers himself for re-appointment.
4. Ratification of Appointment of Statutory Auditor.  
To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act 2013 and the rules framed thereunder, as amended from time to time, the appointment of 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, as statutory auditors of the Company for a term of next 4 years till the conclusion of twenty-sixth Annual General Meeting, which was subject to ratification at every AGM, be and is hereby ratified to hold the office from the conclusion of this AGM till the conclusion of twenty-sixth AGM, 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 Ms. Ruchika Bansal (DIN 06505221) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 28th March, 2015 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."
6. 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 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, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, the Company hereby approves the re-appointment of Sh. 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.1,48,940/- per month with suitable increases as determined by the Board.
HRA	: Rs.55,000/- 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.65,081/- per month with suitable increases as determined by the Board.
Variable Pay	: Rs.27,737/- 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. Manik Lal Dutta will be entitled to the following perquisites restricted to an amount to be decided by the Board of Directors. Unless the context otherwise requires the perquisites are classified as follows:-

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

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

7. 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 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. 2,18,158/- 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. 40,084/- per month with suitable increases as determined by the Board.
Other Allowances	: Rs. 95,659/- 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. 89,100/- 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."

8. 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 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. 1,78,200/- per month with suitable increases as determined by the Board.
HRA	: Rs. 89,100/- 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
Other Allowances	: Rs. 15,770/- per month with suitable increases as determined by the Board.
Variable Pay	: Rs. 71,280/- 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."

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 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 31/03/2016, be paid remuneration amounting to Rs.80,000/- plus service tax and out-of-pocket expenses."

10. To consider and if thought fit, to pass with or without modification the following resolution as Ordinary 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.4,25,450/- (Rupees Four Lacs Twenty-five Thousand Four Hundred Fifty 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."

11. To consider and if thought fit, to pass with or without modification the following resolution as Ordinary 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. 5,30,450/-(Rupees Five Lacs Thirty Thousand Four Hundred Fifty 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 .”

12. To consider and if thought fit, to pass with or without modification the following resolution as Ordinary 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 Tarvos Consulting Services Private Limited for hiring consultancy services from this Company for a maximum sum of Rs. 15,00,000/-(Rupees Fifteen Lacs only) during the year 2015-16.

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 : 13/08/2015

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., 2015 to 28th Sept., 2015 (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 Participants(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 22nd 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:

- I. The voting period begins on 25<sup>th</sup> September 2015 at 9.00 A.M. and ends on 27<sup>th</sup> September 2015 at 5.00 P.M.. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 21<sup>st</sup> September 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- II. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- III. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- IV. Click on Shareholders.
- V. Now Enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- VI. Next enter the Image Verification as displayed and Click on Login.
- VII. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- VIII. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.
OR Date of Birth (DOB)	If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- IX. After entering these details appropriately, click on "SUBMIT" tab.
- X. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. 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.
- XI. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XII. Click on the EVSN for M/s Globus Spirits Limited on which you choose to vote.
- XIII. 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.
- XIV. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- XV. 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.

- XVI. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- XVII. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- XVIII. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XIX. Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, and NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- XX. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 21<sup>st</sup> September 2015 may follow the same instructions as mentioned above for e-Voting.
- XXI. 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- XXII. 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 September 21, 2015.
- XXIII. 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.
- XXIV. The Scrutinizer shall 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.
- XXV. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.globusspirits.com](http://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	Sh. Manik Lal Dutta	Sh. Rajesh Sehgal	Ms . Ruchika Bansal
Age	69	44 Years	35 Years
Qualifications	M. Tech, PGDBM	PG Diploma in Business Management from XLRI Jamshedpur and CFA	Commerce graduate from SRCC and PGDM (MBA)
Expertise in specific functional area	He is the overall in-charge and responsible for production, planning, IMFL blends, brand development etc.	He is a Financial Analyst and expert in finance and business management.	She has specialization in corporate finance & business strategy and an expert in various fund raising activities.
Date of appointment as Director of the Company	01.08.2006	19.03.2013	28.03.2015
Directorship of other companies #	NIL	Apar Industries Limited	NIL
Chairman/Member of Committees of other Companies	NIL	2	NIL
No. of shares held*	2,100	NIL	NIL
Inter-se relationship with other Directors	NIL	NIL	NIL

Note: #.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 31/03/2015.

11. The Company has paid the listing fees for year 2015-16 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

Ms. Ruchika Bansal (Non-Executive Director), aged 35 years, has been appointed as Additional Director w.e.f. 28th March 2015. As per the provisions of section 161 of the Companies Act, 2013, Ms. Ruchika Bansal shall hold office as an Additional Director only upto the date of this AGM and is eligible for appointment as Director. As required, notice under section 160 of the companies Act, 2013 has been received from the shareholder proposing the appointment of Ms. Ruchika Bansal 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.

Ruchika Bansal is a management consultant with over 12 years experience, specializing in corporate finance and business strategy. Ms. Ruchika started her career in financial research working with global investment banking and private equity clients. Subsequently, she worked as an investment banker advising companies in areas of mergers & acquisitions (cross-border and domestic) and private equity syndication. Ms. Ruchika is a Commerce graduate from SRCC and PGDM (MBA) from MDI Gurgaon. Ms. Bansal does not hold any equity shares in the Company.

None of the Directors, Key Managerial Personnel or their relatives except Ms. Ruchika Bansal is interested in the resolution.

##### ITEM No. 6

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 Special Resolution in the General Meeting of the Company because his age will be crossing 70 years of age during the year 2015-16. 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 re-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	2012-13 : Rs. 11,60,880/- 2013-14 : Rs. 13,12,056/- 2014-15 : Rs. 28,50,983/-
(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.
(6)	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. 7

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	2012-13 : Rs. 14,79,600/- 2013-14 : Rs. 20,21,275/- 2014-15 : Rs. 38,82,348/-
(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.
(6)	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. 8

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	2012-13 : Rs. 19,50,000/- 2013-14 : Rs. 30,95,400/- 2014-15 : 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.
(6)	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. 9

The Board of Directors at its meeting held on 13th Aug, 2015 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 31/03/2016, 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. 9 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. 10

Your Board of Directors at their meeting held on 20th May, 2015 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.4,25,450/- (Rupees Four Lacs Twenty-five Thousand Four Hundred Fifty 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 ordinary 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 Ordinary Resolution as set out in Item No. 10 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. 11

Your Board of Directors at their meeting held on 20th May, 2015 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.5,30,450/- (Rupees Five Lacs Thirty Thousand Four Hundred Fifty 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 ordinary 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 Ordinary Resolution as set out in Item No. 11 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. 12

Your Board of Directors have approved for a related party transaction with M/s Tarvos Consulting Services Private Limited for availing consultancy services for a maximum sum of Rs.15,00,000/- (Rupees Fifteen Lacs only) during the Financial Year 2015-16. 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 ordinary 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 Ordinary Resolution as set out in Item No. 12 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 Ms. Ruchika Bansal who is Promoter & Director in M/s Tarvos Consulting Services Private Limited.

#### ANNEXURE - 1

##### I) 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:

in lacs

Particulars	Financial Year 2012-13	Financial Year 2013-14	Financial Year 2014-15
Net Sales	50178.35	49649.98	58567.37
Other Income	488.18	289.78	435.62
Total Income	50666.53	49939.76	59002.99
Expenditure	43147.92	45152.74	53694.09
Depreciation	1648.93	2847.90	2872.63
Interest	649.48	1015.66	1406.71
Profit / (Loss) before exceptional items and tax	5220.20	923.46	1029.56
Provision for taxation (including Deferred tax)	1801.63	(100.53)	322.86
Profit / (Loss) after tax	3418.57	427.64	706.70

(5).	Export performance based on the given indicators	During the year 2014-15, total export performance were Rs.62.11crores.
(6).	Foreign investments or collaborators, if any	....Not Applicable....

#### ANNEXURE - 2

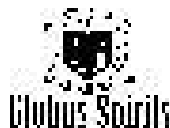
##### III) Other Information :

(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 : 13/08/2015

Sd/-  
(Santosh Kumar Pattanayak)  
Company Secretary



## GLOBUS SPIRITS LIMITED

CIN: L74899DL1993PLC052177

Registered Office: F-0, Ground Floor, The Mira Corporate Suites,

Plot No.1&2, Ishwar Nagar, Mathura Road, New Delhi-110065

Tel : 011-66424600 Fax : 011-66424629

E Mail : corpoffice@globusgroup.in, Website : www.globusspirits.com

### PROXY FORM

Name of the Member (s) :

Registered Address :

E-mail ID :

Folio No./Client ID\* :

DP ID\* :

No. of Shares :

I/We ..... of ..... being a member/members of M/s 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 22nd Annual General Meeting of the Company to be held on Monday, the 28th September, 2015 at 11:00 A.M. at the Auditorium of IETE, 2, institutional Area, Lodhi Road, New Delhi-110003 and at any adjournment thereof in respect of such resolutions as are indicated below :

I/We hereby record my / our voting as marked ( )

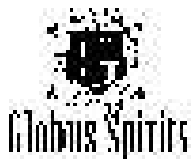
Item No.	Particulars	For	Against
1	Adoption of Consolidated & Standalone Audited Annual Accounts and Reports thereon for the year ended 31st March 2015.		
2	Re-appointment of Mr. Manik Lal Dutta as Director who retires by rotation.		
3	Re-appointment of Sh. Rajesh Sehgal as Director who retires by rotation.		
4	Ratification of Appointment of M/s. Deloitte Haskins & Sells LLP as Auditors.		
5	Appointment of Ms. Ruchika Bansal as director of the company who was appointed as Additional Director during the year.		
6	Special Resolution for Re-appointment of and increase in remuneration to Mr. Manik Lal Dutta, Executive Director of the company.		
7	Special Resolution for Increase in the remuneration of Dr. Bhaskar Roy, Executive Director & CFO of the company.		
8	Special Resolution for Increase in the remuneration of Sh. Shekhar Swarup, Executive Director of the company.		
9	Approval for payment of remuneration to M/s Niraj Kumar Vishwakarma & Associates, Cost Auditor of the company.		
10	Approval of entering into related party transaction with M/s Biotech India Limited.		
11	Approval of entering into related party transaction with M/s Rajasthan Distilleries Private Limited.		
12	Approval of entering into related party transaction with M/s Tarvos Consulting Services Private Limited		

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

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Plot No.1&2, Ishwar Nagar, Mathura Road, New Delhi-110065

Tel : 011-66424600 Fax : 011-66424629

E Mail : [corpoffice@globusgroup.in](mailto:corpoffice@globusgroup.in), Website : [www.globusspirits.com](http://www.globusspirits.com)



## GLOBUS SPIRITS LIMITED

CIN: L74899DL1993PLC052177

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Tel : 011-66424600 Fax : 011-66424629

E Mail : corpoffice@globusgroup.in, Website : www.globusspirits.com

### ATTENDANCE SLIP

Registered Folio No./DP ID No./Client ID No.:

Name and address of the Member(s) :

Joint Holder1 :

Joint Holder2 :

Number of Shares held :

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 22<sup>nd</sup> Annual General Meeting of the Company on Monday, the 28<sup>th</sup> September, 2015 at 11:00 A.M. at the Auditorium of IETE, 2, institutional Area, Lodhi Road, New Delhi-110003.

Name of Member / Proxy

Signature of Member / Proxy

#### Notes:

1. A member or his duly appointed Proxy wishing to attend the Meeting must complete this Attendance Slip and hand it over at the entrance.
2. Name of the Proxy in Block letters(in case the Proxy attends the meeting)
3. Members are requested to bring their copies of the Annual Report to the Meeting.

PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL.

#### Electronic Voting Particulars

Electronic Voting Sequence No. (EVSN)	User ID	*PAN/Default PAN No. (Sequence Number)

\*Applicable to those members who have not updated their PAN with the Company / Depository Participant

Note: Please read the instructions printed under the Note No. 9 to the Notice dated 13th August, 2015 of the 22<sup>nd</sup> Annual General Meeting. The voting period starts from 9:00 a.m. (IST) on Friday, 25th September, 2015 and ends at 05:00 p.m. (IST) on Sunday, 27th September, 2015. The voting module shall be disabled by CDSL for voting thereafter.



# ENAbling Excellence

Globe Spirits Limited  
2014-15 Annual Report





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80	Standalone Financial Statements



# Corporate Information

**Chairman**

Mr. Vivek Gupta  
(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 Directors**

Mr. Rajesh Sehgal  
Ms. Ruchika Bansal

**Non-Executive & Independent Directors**

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

**Company Secretary**

Mr. Santosh Kumar Pattanayak

**Auditors:**

M/s Deloitte Haskins & Sells  
Chartered Accountants,  
7<sup>th</sup> 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, Axis Bank, Lakshmi Vilas Bank, InusInd Bank

**Registered & 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

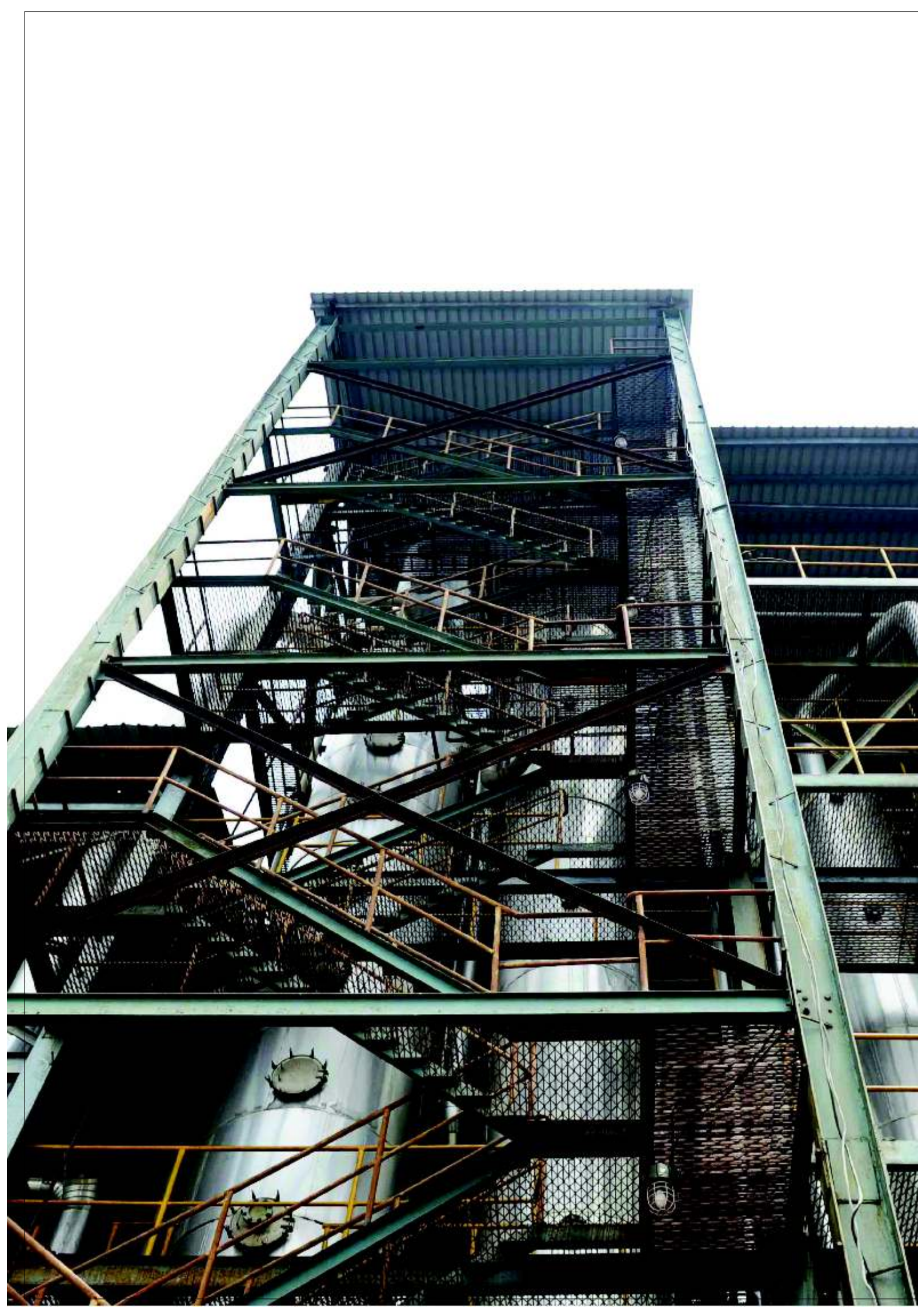
**Website**

[www.globusspirits.com](http://www.globusspirits.com)











# ENAbling Excellence

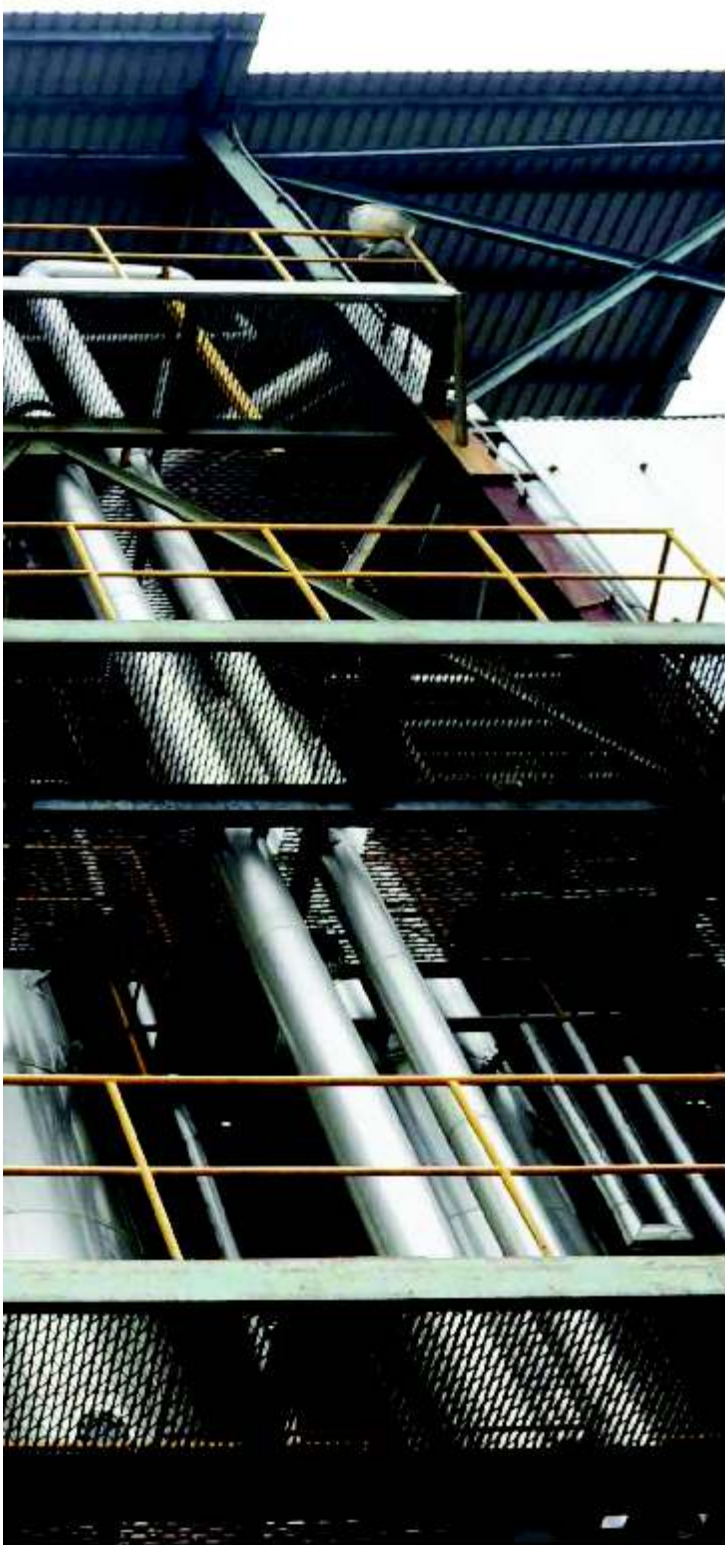
Through our commitment to performance we have been

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

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



# ENAbling Product Excellence

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

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





# ENAbling Marketing Excellence

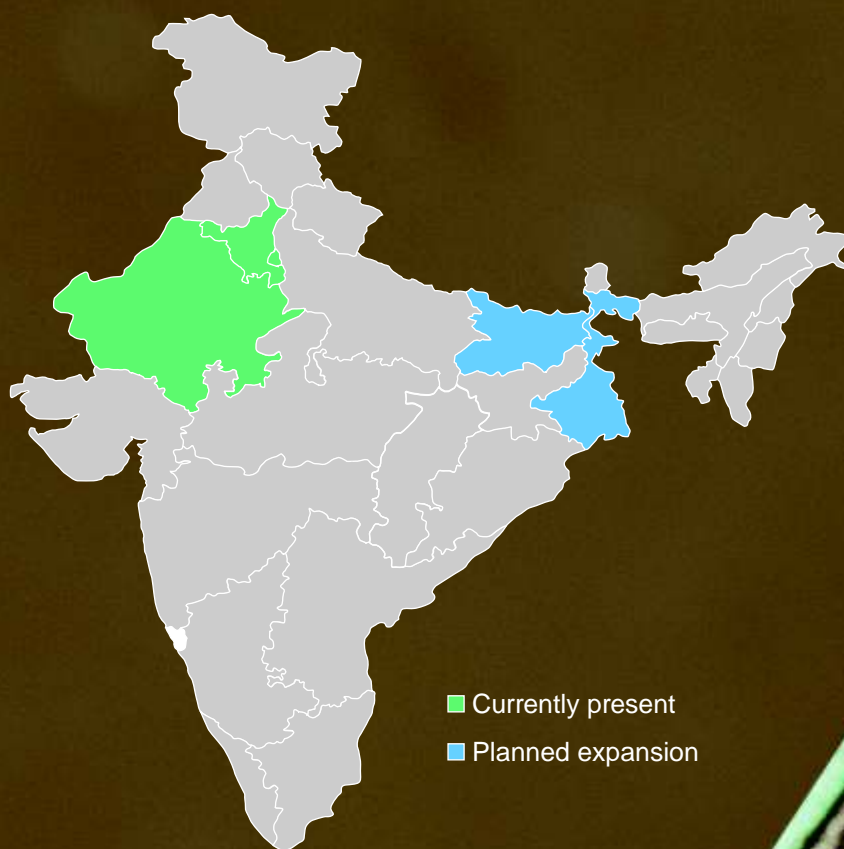
Our product excellence has ENabled us to pioneer branding in the IMIL space with launch of India's 1<sup>st</sup> ENA based country liquor brand– Nimboo. As a first for the industry, we gave the bottom of the pyramid consumer a better tasting product, along with superior packaging that the consumers 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 experience-led wisdom and youthful exuberance, Globus Spirits operates with high standards of Corporate Governance creating value for all of its stakeholders.

## **RIGHT STRATEGY**

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

## **RIGHT PARTNERS**

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

## **RIGHT VALUES**

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

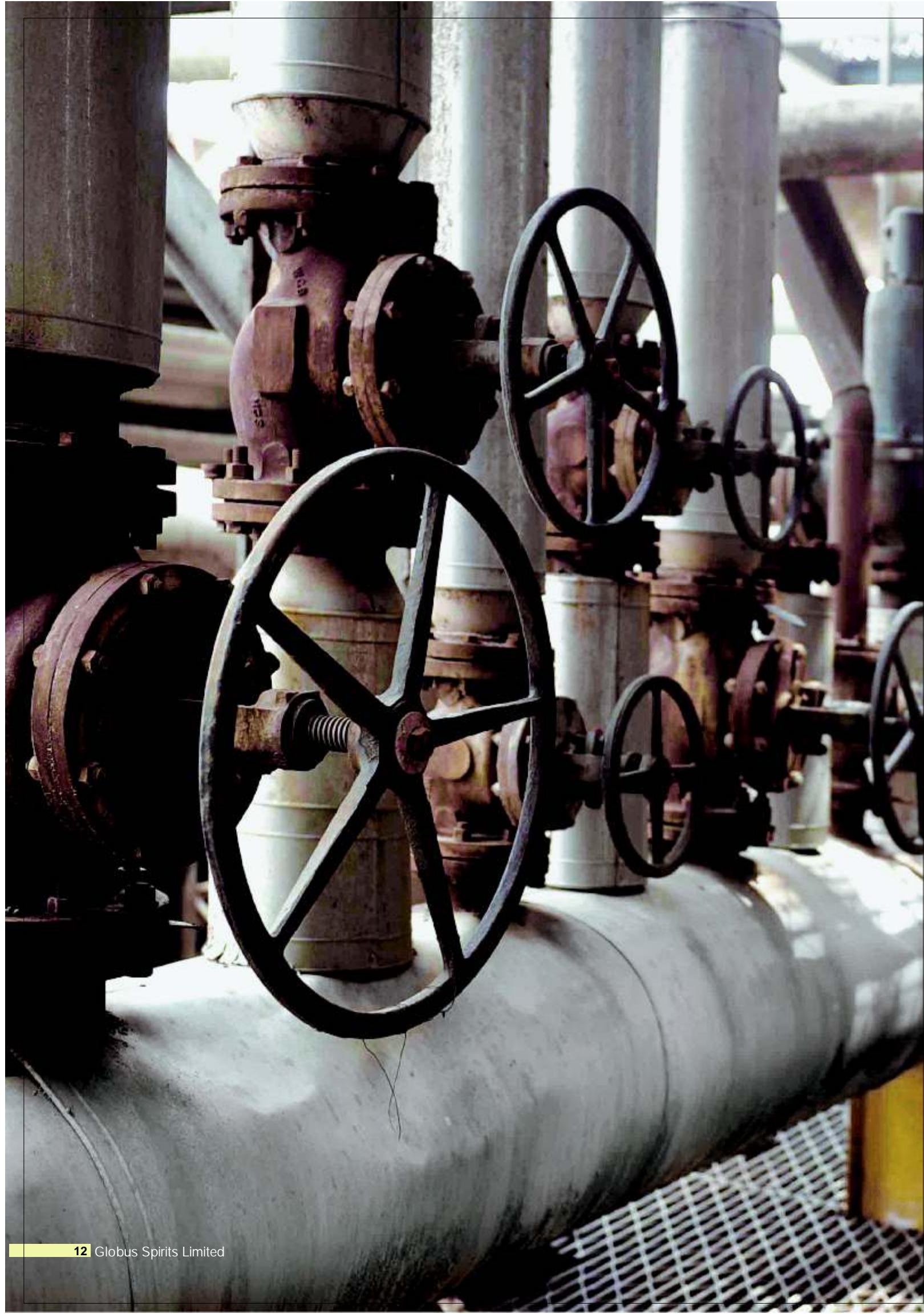
with our customers, suppliers, and dealers. We encourage a culture of participation and truthfulness.

## **RIGHT TEAM**

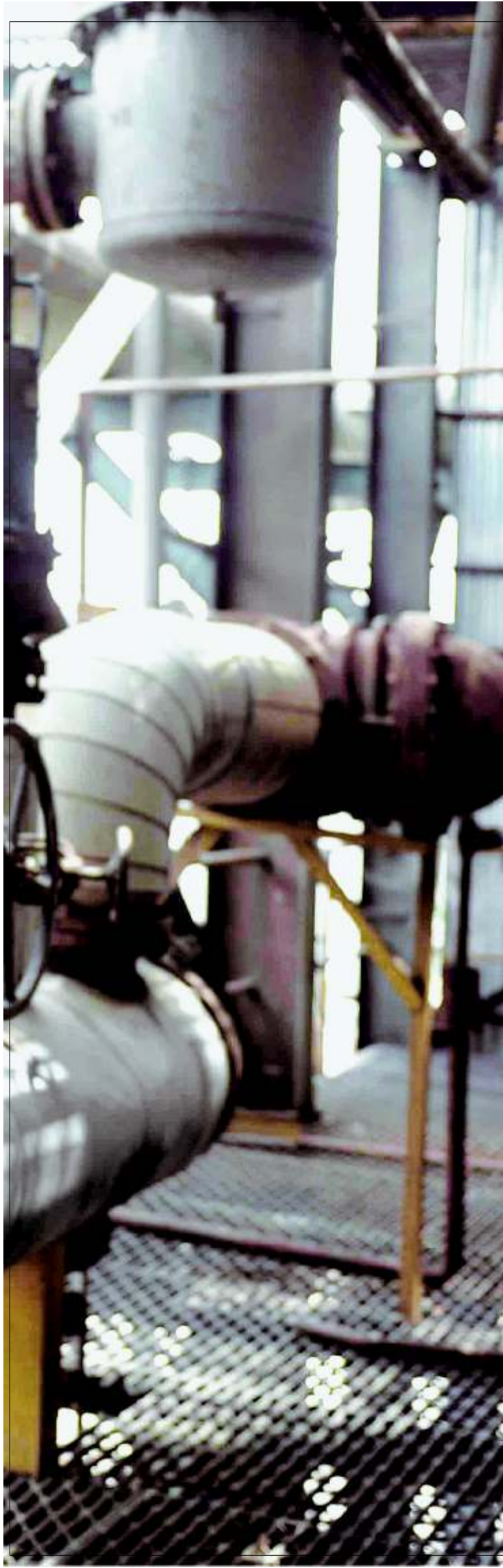
A strong team, unified in its vision, is critical to the success of any organisation. Over the years, we have built a dynamic and robust team backed by deep industry experience, reflected in a well defined and effective organisation structure.











# ENAb ling Manufacturing Excellence

Our manufacturing facilities are ENAb ling 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 ENAb ling a clean environment with a zero pollution footprint and cogeneration of power using renewable biomass as fuel.

ENAB led excellence in our manufacturing facilities helped us achieve:

- Over 69 million litres of production with zero discharge
- End to end production of over 12 million cases of bottled beverages
- ~77% utilization of operating capacity, ~56% used in-house for value added products
- Over 5 years of relationship with India's top 3 IMFL companies

# 360° EXPANSION IN FY15

## 01

### **STRENGTHENING OF OUR BRANDS**

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

## 02

### **MAINTAINED DOMINANCE IN IMIL MARKET**

In Haryana, Rajasthan and Delhi with total sales of ~8.6mn cases

## 03

### **STRONG GROWTH IN IMFL FRANCHISEE WITH VOLUME CAGR OF 17% DURING FY11 TO FY15 TO REACH 3.3MN CASES**

Scaled up contracts with United Spirits and ABD





# 04

## ACHIEVED ROBUST PERFORMANCE IN BULK ALCOHOL WITH VOLUME CAGR OF 25% DURING FY11 TO FY15

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

Forayed into Bihar after winning a 5-year exclusive tender for IMIL sales in largest district in the state

# 06

## FINANCIAL HIGHLIGHTS

Steady growth of 18% to reach revenues of ~` 5.9bn

EBITDA of ` 489mn and PAT of ` 71mn

Sound balance sheet position with debt-equity ratio of 0.35x



# Chairman's Message

Dear Shareholders,

It is my pleasure to present you with our Annual Report for fiscal year 2014-15. This was a year of revival in sentiment as positive policy actions by the government promulgated India as a high growth potential economy. While these policies may not have translated into immediate tangible ground level changes, the environment has become more conducive and impact of these policies should soon start becoming more visible.

Against this backdrop, I am pleased to say your Company reported net revenues of ₹ 585.7 crore in FY2014-15, a healthy growth of 18% compared to ₹ 496.5 crore in FY2013-14.

After a difficult FY 2013-14, growth picked up in both Rajasthan and Haryana, key IMIL markets for your Company. Though the competitive landscape in Haryana is still not favourable, it is heartening to see that de-growth is past us and stability is expected. In Rajasthan, the IMIL industry has outperformed our expectations with solid growth of 16% at an industry level. Your Company has been able to capitalize on this trend and further leveraged its strong brands and wide distribution network to surpass the industry growth rate to achieve 20% volume growth.

In an important milestone, your Company marked its entry into East India with launch of IMIL in Bihar in January 2015. This is in line with our strategy to de-risk our dependence on a few states and enter the high growth East India region. The East India states are relatively under-penetrated and the demand for bulk and bottled alcohol is far in excess of supply, making it ideal for establishing our 360° model. We have initiated construction of Greenfield facilities in Bihar and West Bengal and expect to commission plants in both states during FY 2016-17.

In the manufacturing vertical, your Company's position as a reliable and high quality manufacturer was reinforced as ABD, USL and Jagatjit scaled up their bottling contracts in Rajasthan and Haryana. The exports division continued to perform well with volumes tripling from the previous year, partially offsetting impact of high competition/ lower prices in Haryana. Productivity improvements helped in cost containment while the addition of a new value added by-product, Distiller's Dried Grains with solubles, helped to shore up both topline and bottomline. DDGS is a promising by-product and has immense potential in animal feed, a large and growing market.

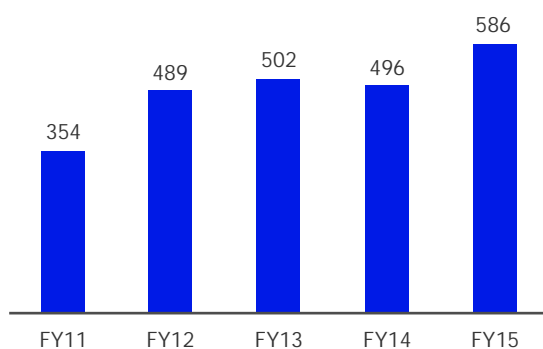
In the last two years, your Company has embarked on several new initiatives including opening up of new markets, launch of high margin value added by-products, brand building and focus on higher productivity, to counter weak markets and rising input prices. These initiatives are now starting to yield results reflected in robust revenue growth and improving profitability. The expansion to East India will considerably accelerate the growth process and elevate your Company to becoming the only IMIL Company with multi-region presence.

As we step in to the new fiscal year, I am optimistic about your Company delivering an enhanced performance across all our businesses. I take this opportunity to thank you all for your continuous support and belief.

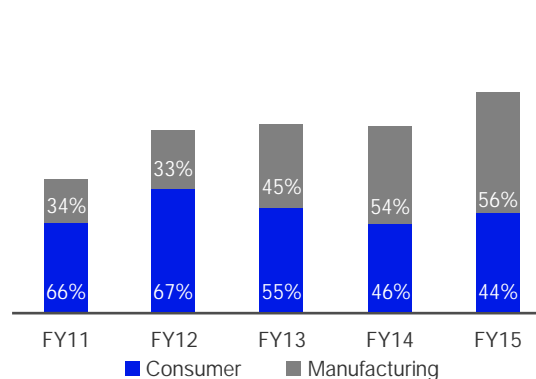
Sd/-  
Vivek Gupta  
Chairman

# Financials Highlights

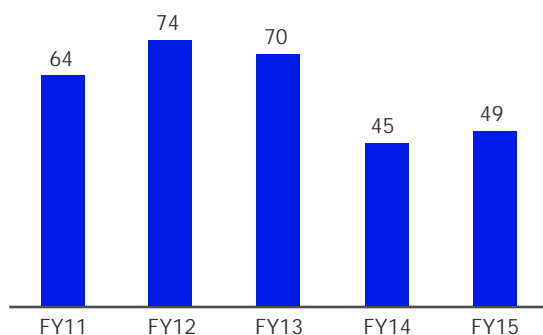
**Net Revenues (₹ Crore)**



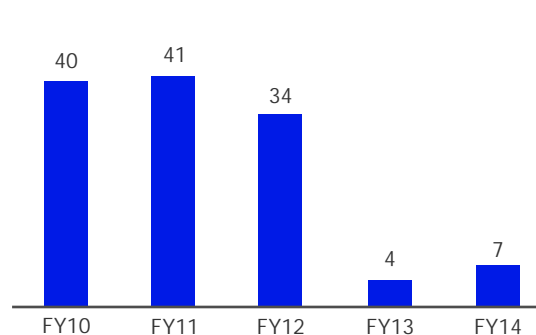
**Revenue Split**



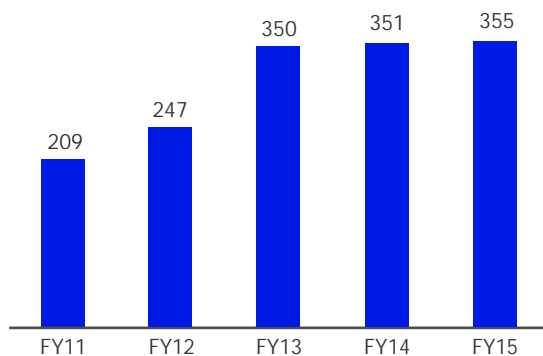
**EBITDA (₹ Crore)**



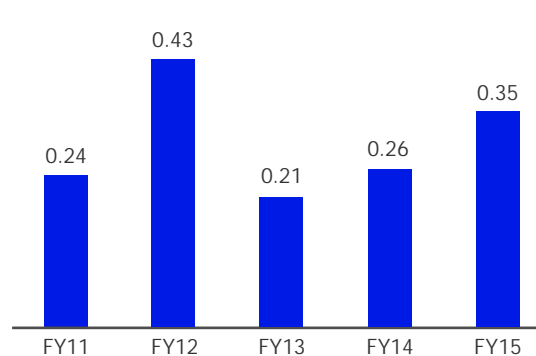
**Profit after Tax (₹ Crore)**



**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-second Annual Report and Audited Accounts for the year ended 31<sup>st</sup> March, 2015.

## FINANCIAL RESULTS

(₹ In Lacs)			
Particulars	Current Year 2014-2015		Previous Year 2013-2015
	Standalone	Consolidated*	Standalone
Total Revenue	59,003	59,038	49,939
Total Expenses	57,973	58,028	49,016
Profit before			
Explanatory items & Tax	1,030	1,010	923
Profit before tax			
after extraordinary items	1,030	1,010	327
Less: Provision for taxation including			
Deferred tax	323	336	(101)
Profit/ (Loss) after tax	707	674	428
Basic EPS	1.96	1.84	0.16
Diluted EPS	1.93	1.81	0.15

\* During the year the Company formed two Wholly Owned Subsidiaries, namely M/s Globus Trade Bay Limited (incorporated in UAE), M/s Uber Blenders & Distillers Limited (Subsequently name changed to M/s Unibev Limited w.e.f. 04<sup>th</sup> June 2015 (Indian Subsidiary), hence consolidated financials have been prepared.

## PERFORMANCE REVIEW

During the year under review the Total Revenue of the Company has increased by 18% from ₹ 49,939lacs (Previous year) to ₹ 59,002lacs (Current year) and an increase in PBT by ₹702lacs from the previous year and an increase in PAT by ₹279lacs from the previous year. The Basic EPS of the Company is ₹1.96/- as compared to ₹0.16/- and the diluted EPS of the Company is ₹1.93/- as compared to ₹0.15/- in the previous year.

## THE YEAR IN PERSPECTIVE

In the year under review, your Company reported a revenue growth of 18% driven by successful implementation of several initiatives across business verticals. Though market conditions continued to be difficult, your Company's strategy of straddling all segment of the spirits value chain paid off.

While the consumer business showed signs of revival, posting a growth of 13%, the manufacturing vertical continued to outperform with growth of 22%. As a consequence, proportion of manufacturing in revenues grew from 54% in FY13-14 to 56% in FY 14-15.

Growth in the manufacturing vertical was largely driven by higher volumes of third party bottling (38%) and improved realizations in bottling and bulk alcohol. Your Company successfully scaled up contracts with United Spirits and ABD and also started bottling for Jagatjit Industries in Rajasthan. Exports business showed strong performance growing to 3x its size in the previous year. The growth in manufacturing was aided by higher capacity utilizations at both facilities. In a major milestone, your Company launched Distiller's Dried Grains with Solubles, a value added by-product, which has application in animal feed as a valuable protein source.

In the consumer vertical, your Company witnessed strong volume growth in Rajasthan IMIL (20%) as efforts on brand building and widening of distribution reach yielded results. This was partly dampened by weak performance in Haryana, one of your Company's key markets, where adverse competitive conditions continued to persist. In a move to de-risk from geographical concentration, your Company entered the Bihar IMIL market, marking its entry in East India.

Further, your Company continued its efforts in R&D to enhance productivity, thereby reducing cost of production. Raw material prices stabilized after an extended period of high prices and volatility.

Despite delays in land acquisition, the expansion plans to East India are progressing well. Construction has started at both sites and your Company is expecting to commission both Greenfield facilities in FY2016-17.

## DIVIDEND

Your Directors do not recommend any dividend for the financial year 2014-15.

## PUBLIC DEPOSITS

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

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year Mr. Vivek Gupta, Non-Executive & Independent Director of the Company has been appointed as Chairman of the Company w.e.f. 28<sup>th</sup> March 2015.

Ms. Ruchika Bansal, has been appointed as Additional Director of the Company on 28<sup>th</sup> March 2015 and pursuant to section 161 (1) of the Companies Act, 2013, Ms. Ruchika Bansal will hold office only upto the date of forthcoming AGM of the Company and is eligible for appointment as Director. The Board recommends her appointment and accordingly resolution seeking approval of the members for her appointment has been included in the Notice of forthcoming Annual General Meeting of the Company along with her brief profile.

Mr. Gautam Premnath Khandelwal, Independent Director & Chairman of the Company has been resigned from the Board of the Company w.e.f. 14<sup>th</sup> November, 2014. The Directors place on record their appreciation of the valuable contribution made by him.

Mr. Manik Lal Dutta, Executive Director of the Company and Sh. Rajesh Sehgal, Non-Executive Director of the Company, retire by rotation and being eligible offer themselves for re-appointment. The Board recommends their re-appointment.

## SUBSIDIARY COMPANIES

Your Company has two wholly owned subsidiaries viz., M/s Unibev Limited (formerly known as M/s Uber Blenders & Distillers Limited), (Indian subsidiary) and M/s Globus Trade Bay Limited (foreign subsidiary) in UAE.

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

Performance and financial position of the subsidiary companies is given in Annexure-I.

## 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.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

## AUDITORS

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

## AUDITORS' REPORT

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

### In Standalone Accounts:

As at March 31, 2015, Fixed Assets include Intangible Assets aggregating to ₹ 2,164.95 Lacs (March 31, 2014 – ₹ 2,886.60 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 of expenses as an intangible asset is not in accordance with Accounting Standard (AS 26) “Intangible Assets”. Had the Company complied with requirements of AS-26, Fixed Assets as at March 31, 2015 would have been lower by ₹ 2,164.95 Lacs (March 31, 2014 – ₹ 2,886.60 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 Loss after taxes of ₹ 709.00 Lacs and the Reserves and Surplus would be lower by ₹ 1,415.70 Lacs.

### In Consolidated Accounts:

As on March 31, 2015, Fixed Assets include Intangible Assets aggregating to ₹ 2,164.95 Lacs under the head “Knowhow and New Brand Development” representing intangibles internally generated by the Holding Company through expenditure on advertisement and promotional expenses. Such recognition is not in accordance with Accounting Standard – 26 “Intangible Assets”. Had the Holding Company complied with requirements of AS-26, Fixed Assets as at March 31, 2015 would have been lower by ₹ 2,164.95 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 ₹ 741.69 Lacs and Reserves and Surplus would be lower by ₹ 1,415.70 Lacs.

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 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.

#### **COST AUDIT**

The board subject to the approval of the Central Government, if required, has re-appointed M/s Niraj Kumar Vishwakarma & Associates, Cost Accountants, having Firm's registration no. 101683, its branch office at N-60, 4<sup>TH</sup> Floor, Narain Nagar, Lalita Park, Delhi-110092, as Cost Auditor for conducting the Cost Audit for the financial year 2015-16. The audit committee recommended his appointment and remuneration. The Company has also received necessary certificate under Section 141 of the Act 2013 conveying his eligibility for re-appointment. The remuneration fixed by the board, based on the recommendation of the audit committee is required to be ratified by the members at the AGM as per the requirement of Section 148(3) of the Act 2013.

#### **SECRETARIAL AUDIT REPORT**

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

#### **PARTICULARS OF EMPLOYEES**

Statement pursuant to u/s 197 (12) of the Companies Act, 2013 read with the applicable rules made thereunder, the name & other particulars of the employees are as follows:-

<b>SI NO</b>	<b>Name</b>	<b>Age</b>	<b>Designation</b>	<b>Remuneration received ( ` )</b>	<b>Qualification</b>	<b>Experience In years</b>	<b>Date of Commencement of employment</b>	<b>Particulars of last employment</b>
1	Sh. Ajay K. Swarup	56 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.
3. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

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

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

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

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

#### **DIRECTORS RESPONSIBILITY STATEMENT**

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

1. That in preparation of the Annual Accounts for the financial year 2014-15, 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 31<sup>st</sup> March, 2015 and of the results of the Company for that period.

4. That the directors had prepared the Annual Accounts for the financial year 2014-15 on a going concern basis.
5. That they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly ; and
6. That they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **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  
DIN-02805627

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

Place: New Delhi  
Date: 13/08/2015

# Annexure I

## to the Directors' Report 2014-15

### EXTRACT OF ANNUAL RETURN

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

### NUMBER OF MEETINGS OF THE BOARD

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

### INDEPENDENT DIRECTORS' DECLARATION

Mr. Santosh Kumar Bishwal, Mr. Joginder Singh Dhamija, Mr. Kunal Agarwal and Mr. Vivek Gupta, who are Independent Directors, have submitted a declaration that each of them meets the criteria of independence as provided in Sub-Section (6) of Section 149 of the Act and revised Clause 49 of the Listing Agreements. Further, there has been no change in the circumstances which may affect their status as independent director during the year.

### POLICY OF DIRECTORS' APPOINTMENT AND REMUNERATION

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

### CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

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

### RELATIONSHIP BETWEEN DIRECTORS INTER-SE

None of the Directors are related to each other within the meaning of the term "relative" as per Section 2(77) of the Act and clause 49(VIII)(E)(2) of the revised listing agreements except Sh. Shekhar Swarup (Executive Director) is the son of Sh. Ajay Kumar Swarup (Managing Director) of the Company.

### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

There have been no loans, guarantees and investments under Section 186 of the Act during the financial year 2014-15.

### TRANSACTIONS WITH RELATED PARTIES

The Company has entered into contract / arrangements with the related parties in the ordinary course of business and on arm's length basis. The details are mentioned in the notes to accounts of the financial statements.

### INTERNAL CONTROL

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

### RISK MANAGEMENT

The Company has a Risk Management Committee & also it has in

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

### VIGIL MECHANISM

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

### PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES

One of the wholly owned subsidiaries of the Company, M/s Globus Trade Bay Limited (incorporated in UAE) is engaged in the business of import & export of alcohol in the free trade zone of RAK, UAE. During the year M/s Globus Trade Bay Limited has earned revenue of 5277860 USD. The PAT of M/s Globus Trade Bay Limited is 51062.47USD. The other WOS of the Company M/s Unibev Limited (Formerly known as M/s Uber Blenders & Distillers Ltd.) has not yet commenced any Business operation and hence yet to generate revenue. Financial position of each of the subsidiaries is provided in a separate statement AOC-1, attached to the Financial Statement pursuant to first proviso to Section 129(3) of the Act.

### PARTICULARS OF REMUNERATION

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

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

Executive Directors	Ratio to the Median Remuneration*
Mr. Ajay Kumar Swarup	25.44
Mr. Shekhar Swarup	12.62
Mr. Manik Lal Dutta	8.69
Dr. Bhaskar Roy	11.84
<b>Non-Executive Directors (Sitting Fees only)</b>	
Sh. Santosh Kumar Bishwal	0.45
Sh. Joginder Singh Dhamija	0.49
Sh. Kunal Agarwal	0.20
Sh. Vivek Gupta	0.004

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

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



Name of the Person	% increase in Remuneration
Mr. Ajay Kumar Swarup (Managing Director)	Nil
Mr. Shekhar Swarup (Executive Director)	37.57% (because of restructuring & streamlining in the mode of salary payment inclusion of each & every payment which was earlier in reimbursement part, the %age increase seems to be high)
Mr. Manik Lal Dutta (Executive Director)	62.39% (because of restructuring & streamlining in the mode of salary payment inclusion of each & every payment which was earlier in reimbursement part, the %age increase seems to be high)
Dr. Bhaskar Roy (Executive Director & CFO)	80.06% (because of restructuring & streamlining in the mode of salary payment inclusion of each & every payment which was earlier in reimbursement part, the %age increase seems to be high)
Sh. Santosh Kumar Pattanayak (Company Secretary)	Nil (Not comparable because during 2013-14, only 4 months have been in employment)

**(c) The percentage increase in the median remuneration of employees in the financial year**

(40.17%) (Since there is lot of variation in the no. of employees during the current year as compare to previous year, comparison of the exact median remuneration may not be accurate.)

**(d) The number of permanent employees on the rolls of Company as on 31/03/2015: 276**

**(e) The explanation on the relationship between average increase in remuneration and Company performance**

On an average, employees received an increase of around 8% approximately, however due to a lot of variation in the total no. of employees during the current year as compare to previous year the exact %age in the increase in the salary may not reflect. The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects Company performance, the performance pay is linked to organization performance.

**(f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;**

Particulars	₹/lac
Remuneration of Key Managerial Personnel (KMP) during financial year 2014-15 (aggregated)	153.71
Revenue from operations (Net)	58,567.37
Remuneration (as % of revenue)	0.26%
Profit before tax (PBT)	1,029.56
Remuneration (as % of PBT)	14.92%

**(g) variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year;**

Particulars	Unit	As at 31/03/2015	As at 31/03/2014	Variation
Closing rate of share at BSE	₹	42.55	76.60	(44.45%)
EPS (Consolidated)	₹	1.84	0.16	1050%
Market Capitalization	₹/lac	12254.09	17616.27	(30.44%)
Price Earnings ratio	Ratio	23.125	478.75	(95.17%)

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

The average increase in salaries of employees other than managerial personnel in 2014-15 was 8% approximately. Percentage increase in the managerial remuneration for the year was 25.89%.

**(i) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company**

Particulars	Managing Director	Chief Financial Officer	Company Secretary
	₹/lac	/lac	₹/lac
Remuneration	2.40	29.04	10.01
Revenue from operations (Net)	58,567.37	58,567.37	58,567.37
Remuneration (as % of revenue)	0.10%	0.05%	0.01%
Profit before tax (PBT)	1,029.56	1,029.56	1,029.56
Remuneration (as % of PBT)	6.06%	2.82%	0.97%

**(j) The key parameters for any variable component of remuneration availed by the directors**

The variable component in addition to the fixed salary to be paid to the Directors has been approved by the shareholders in AGM. And based on their performance, variable components being paid on quarterly basis.

**(k) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year**

Not Applicable.

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

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

**PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON-EXECUTIVE DIRECTORS**

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

# Annexure II

## to the Directors' Report 2014-15

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

### (A) Conservation of Energy

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

#### a) Energy Conservation Measures Taken:

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

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

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

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

-As mentioned in point (a)

### (B) Technology Absorption

#### FORM - B

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

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

	2014-2015	2013-2014
Foreign Exchange earnings (Export Sale)	INR62.11crores	INR20.11crores
Foreign Exchange used (Import of Machine)	714338USD	NIL

#### 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 : 13/08/2015

# Annexure-III

## Corporate Social Responsibility

### Corporate Social Responsibility Policy – Overview

The Company has its CSR Policy within broad scope laid down in Schedule VII to the Act, as projects / programmes / activities, excluding activities in its normal course of business. The policy is duly approved by the Board of Directors in its meeting held on 14<sup>th</sup> August, 2014.

### The Composition of the CSR Committee.

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

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

Terms of reference of the CSR Committee are:

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

Average net profit of the Company for last three financial years : Rs.37,74,13,931/-

Prescribed CSR Expenditure (two percent of the Average net profit) : Rs.75,48,279/-

Details of CSR spent during the financial year. Out of the above the Company spent only Rs.50,00,000/-. The rest of be amount Rs.25,48,279/- could not be spent because during the short span of time, the Company was able to undertake only one project of conducting skill developments programmes for the unemployed youth in Behror (Rajasthan) Region through a trust M/s Tirhut Samagra Vikas Parishad, which is solely engaged for this purpose.

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumul-ative expenditure upto to the reporting period Amount	spent: Direct or through implementing agency *
1	Conducting Training for skill development programme	Training for Skill development	Behror (Rajasthan)	Rs.50lacs	Rs.50lacs	Rs.50lacs	Through Implementing Agency M/s Tirhut Samagra Vikas Parishad

**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 : 13/08/2015

# Annexure-IV

## FORM NO. MGT 9

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

### EXTRACT OF ANNUAL RETURN AS ON FY ENDED ON 31/03/2015

#### I. REGISTRATION & OTHER DETAILS:

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

#### II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

All the business activities contributing 10 % or more of the total

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Potable Alcohol (RS/ENA/IMIL/IMFL) (UNDNATRD ETHYL ALCHL WTH<80% ALCHL STRNGTH:SPRTS ,LIQRS & OTHR SPRTOUS BVRGS:COMPND ALCHL PRPN FOR MNUFCTRE OF BVRGS)	2208	99%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	M/s Uber Blenders & Distillers Limited (Subsequently name changed to M/s Unibev Limited w.e.f. 04 <sup>th</sup> June 2015)	U15122DL2014PLC273878	Subsidiary	99.99%	2(87)
2	M/s Globus Trade Bay Limited	IC20140973 (incorporated in UAE)	Subsidiary	100%	2(87)



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

**i. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2014)				No. of Shares held at the end of the year (31.03.2015)			
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
<b>A. Promoter s</b>								
<b>(1) Indian</b>								
a) Individual/ HUF	3323600	0	3323600	14.45%	3329600	0	3329600	11.56%
b) Central Govt	0	0	0		0	0	0	0%
c) State Govt(s)	0	0	0		0	0	0	0%
d) Bodies Corp.	12143105	0	12143105	52.80%	12906464	0	12906464	44.82%
e) Banks / FI	0	0	0	0.00%	0	0	0	0%
f) Any other	0	0	0	0.00%	0	0	0	0%
<b>Sub-total (A) (1):-</b>	<b>15466705</b>	<b>0</b>	<b>15466705</b>	<b>67.25%</b>	<b>16236064</b>		<b>16236064</b>	<b>56.38%</b>
<b>(2) Foreign</b>								
a) NRI - Individual/	0	0	0	0.00%	0	0	0	0%
b) Other - Individual/	0	0	0	0.00%	0	0	0	0%
c) Bodies Corp.	0	0	0	0.00%	0	0	0	0%
d) Banks / FI	0	0	0	0.00%	0	0	0	0%
e) Any Others	0	0	0	0.00%	0	0	0	0%
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>Total shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>15466705</b>	<b>0</b>	<b>15466705</b>	<b>67.25%</b>	<b>16236064</b>	<b>0</b>	<b>16236064</b>	<b>56.38%</b>
<b>B. Public Shareholding</b>								
<b>1. Institutions</b>					0	0	0	0%
a) Mutual Funds	1740025	0	1740025	7.57%	1844017	0	1844017	6.40%
b) Banks / FI	19849	0	19849	0.09%	20843	0	20843	0%
c) Central Govt	0	0	0	0%	0	0	0	0%
d) State Govt(s)	0	0	0	0%	0	0	0	0%
e) Venture Capital	0	0	0	0%	0	0	0	0%
f) Insurance	0	0	0	0%	0	0	0	0%
g) FIs	375360	0	375360	1.63%	56322	0	56322	0.20%
h) Foreign Venture	0	0	0	0%	0	0	0	0%
i) Others (specify)	0	0	0	0%	0	0	0	0%
<b>Sub-total (B)(1):-</b>	<b>2135234</b>	<b>0</b>	<b>2135234</b>	<b>9.29%</b>	<b>1921182</b>	<b>0</b>	<b>1921182</b>	<b>6.67%</b>
<b>2. Non-Institutions</b>								
a) Bodies Corp.	919776	0	919776	4.00%	699998	0	699998	2.43%
b) Individuals								
i) Individual shareholders holding nominal share capital	3318189	287	3318476	14.43%	3768291	321	3768612	13.03%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	554436	0	554436	2.41%	661074	0	661074	2.30%
c) Others (specify)								
Clearing Member	334678	0	334678	1.46%	132891	0	132891	0.46%
NRI (Repat)	223337	0	223337	0.97%	268193	0	268193	0.93%
NRI (Non-Repat)	42161	0	42161	0.18%	70671	0	70671	0.25%
Foreign Companies	0	0	0	0.00%	5038168	0	5038168	17.49%
Directors/Relatives	2905	33	2938	0.01%	2415	0	2415	0.01%
<b>Sub-total (B)(2):-</b>	<b>5395482</b>	<b>320</b>	<b>5395802</b>	<b>23.46%</b>	<b>10641701</b>	<b>321</b>	<b>10642022</b>	<b>36.95%</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>7530716</b>	<b>320</b>	<b>7531036</b>	<b>32.75%</b>	<b>12562883</b>	<b>321</b>	<b>12563204</b>	<b>43.62%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00%	0	0	0	0.00%
<b>Grand Total (A+B+C)</b>	<b>22997421</b>	<b>320</b>	<b>22997741</b>	<b>100%</b>	<b>28798947</b>	<b>321</b>	<b>28799268</b>	<b>100%</b>

**ii Shareholding of Promoters & Promoters group**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2014)			Share holding at the end of the year (31.03.2015)		
		No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares
1	Chandbagh Investments Limited	11367510	49.43%	0%	12130869	42.12%	0%
2	Ajay Kumar Swarup	1649820	7.17%	0%	1649820	5.73%	0%
3	Anoop Bishnoi	1619820	7.04%	0%	1619820	5.62%	0%
4	Globus Infosys Pvt. Ltd.	538854	2.34%	0%	538854	1.87%	0%
5	Jaroda Plantations Pvt. Ltd.	236741	1.03%	0%	236741	0.82%	0%
6	Shekhar Swarup	53600	0.23%	0%	59600	0.21%	0%
7	Bhupendra Kumar Bishnoi	90	0.00%	0%	90	0.00%	0%
8	Roshni Bishnoi	90	0.00%	0%	90	0.00%	0%
9	Madhav Kumar Swarup	60	0.00%	0%	60	0.00%	0%
10	Madhavi Swarup	60	0.00%	0%	60	0.00%	0%
11	Saroj Rani Swarup	60	0.00%	0%	60	0.00%	0%
	<b>TOTAL</b>	<b>15466705</b>	<b>67.26%</b>	<b>0%</b>	<b>16236064</b>	<b>56.38%</b>	<b>0%</b>

**iii Change in Promoters' Shareholding**

During the year there is an increase in the equity share holding of M/s Chandbagh Investments Limited by 763359 shares, which is basically the conversion of 763359 warrants into equity shares in the ratio of 1:1 vide dated 18/09/2014.

During the year, the holding of Mr. Shekhar Swarup has been increased by 6,000 equity shares and the said shares has been purchased through open market in various transactions

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

Sl. No.: 1 For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01/04/2014)		Change in Shareholding during the year		Shareholding at the end of the year (31/03/2015)	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
TEMPLETON STRATEGIC EMERGING MARKETS FUND IV LDC	0	0%	5038168	17.49%	5038168	17.49%
SBI EMERGING BUSINESSES FUND	1740025	7.57%	100000	0.35%	1840025	6.39%
DEEPAK ROY & ALKA ROY	112500	0.49%	0	0.00%	112500	0.39%
RAHUL DHURUV	50000	0.22%	16000	0.06%	66000	0.23%
INDIA MAX INVESTMENT FUND LIMITED	168793	0.73%	(119,471)	-0.41%	49322	0.17%
D PARVATHI DEVI	28385	0.12%	20804	0.07%	49189	0.17%
SUNIL DUGGAL	35989	0.16%	7617	0.03%	43606	0.15%
C D INTEGRATED SERVICES LTD	0	0%	38566	0.13%	38566	0.13%
HARIDAS NAMDEORAO BALKI & SUNITA BALKI	0	0%	35000	0.12%	35000	0.12%
SHRI PARASRAM HOLDINGS PVT.LTD.	51679	0.22%	(20,950)	-0.07%	30729	0.11%

The above details are given as on 31 March, 2015. The Company is listed and 99.99% shareholding is in dematerialized form. Hence, it is not feasible to track movement of shares on daily basis. The aforesaid holdings by top ten shareholders is due to market operations. Further, Company has not allotted/transferred or issued any bonus or sweat equity shares during the year.

**v Shareholding of Directors and Key Managerial Personnel:**

During the year there is no change in the shareholdings the Directors and Key Managerial Personnel of the Company except the holdings of Mr. Shekhar Swarup as explained in the promoter shareholding section.

**V INDEBTEDNESS**

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

(Amount in Lacs)

Indebtedness at the beginning of the financial year	Secured Loans	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	8790.3	17.66	0	8807.96
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>8790.3</b>	<b>17.66</b>	<b>-</b>	<b>8807.96</b>
Change in Indebtedness during the financial year	Secured Loans	Unsecured Loans	Deposits	Total Indebtness
* Addition	3,501.63	0	0	3501.63
* Reduction	0	17.66	0	17.66
<b>Net Change</b>	<b>3,501.63</b>	<b>17.66</b>	<b>-</b>	<b>3,519.29</b>
Indebtedness at the end of the financial year (31.03.2015)	Secured Loans	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	12,291.93	0	0	12291.93
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	22.93	0	0	22.93
<b>Total (i+ii+iii)</b>	<b>12,314.86</b>	<b>-</b>	<b>-</b>	<b>12,314.86</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Sh. Ajay Kumar Swarup	Sh. Shekhar Swarup	Sh. Manik Lal Dutta	Total Amount (` In Lacs)
1	Gross salary	Managing Director	Executive Director	Executive Director	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	62.40	30.95	27.56	120.91
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	62.40	30.95	27.56	120.91

### B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount (` in lacs)
1	<b>Independent Directors</b>	Sh. Santosh Kumar Bishwal	Sh. Joginder Singh Dhamija	Sh. Vivek Gupta	Sh. Kunal Agarwal	
	Fee for attending board committee meetings	1.10	1.20	0.20	0.50	3.00
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	1.10	1.20	0.20	0.50	3.00
2	<b>Other Non-Executive Directors</b>					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	Executive Director & CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	10.01	37.48	47.49
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	10.01	37.48	47.49

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

# Secretarial Audit Report

## For the financial year ended 31 March, 2015

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

To,  
The Members,  
Globus Spirits Limited  
CIN: L74899DL1993PLC052177

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 & Companies Act, 1956 ("the Acts") and the rules made thereunder, as applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), wherever applicable :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India were not approved by the Central Government for their applicability during the financial year.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

We further report that :

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

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

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

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure

compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has undertaken following event(s)/action(s) having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. as given below:

1. Conversion of 50,38,168 (Fifty lakh thirty eight thousand one hundred and sixty eight ), Cumulative Compulsorily Convertible Preference Shares into 50,38,168 (Fifty lakh thirty eight thousand one hundred and sixty eight) equity shares and 7,63,359 (Seven lakh sixty-three thousand three hundred and fifty nine ) Warrants into 7,63,359 (Seven lakh sixty-three thousand three hundred and fifty nine only) equity shares of the Company.
2. Incorporation of two wholly owned subsidiaries, one in the name of 'Uber Blender & Distillers Limited' (now known as 'Unibev Limited') in India and another in the name of 'Globus Trade Bay Limited' in Unites Arab Emirates.

For SKP & Co.  
Company Secretaries  
(CS Sundeep K. Parashar)  
M. No. : FCS 6136  
C.P. No. : 6575

Place : Vaishali  
Date : 13 August, 2015

# FORM-AOC-1

Statement containing salient features of the financial statement of subsidiaries

## Part "A": Subsidiaries

S.No.	Particulars	Amount (in INR)	Amount (in USD)
1	Name of the Subsidiary	M/s Uber Blenders & Distillers Limited (Subsequently name changed to M/s Unibev Limited w.e.f. 04 <sup>th</sup> June 2015)	M/s Globus Trade Bay Limited
2	Reporting Period	1st April 2014 - 31st March, 2015	1st April 2014 - 31st March, 2015
3	Reporting Currency Conversion Rate as on 31st March 2015	Amount (in INR)	Amount (in USD) 1 USD=INR62.273
4	Share Capital	500,000	2,725
5	Reserves & Surplus	(5,122,289)	51,062
6	Total Assets	1,060,616	62893.47
7	Total Liabilities	1,060,616	62893.47
8	Investments	-	-
9	Turnover	-	5,277,860
10	Profit before taxation	(5,122,289)	51,062
11	Provision for taxation	-	-
12	Profit after taxation	(5,122,289)	51,062
13	Proposed Dividend	-	-
14	% of shareholding	99.99%	100.00%

M/s Uber Blenders & Distillers Limited (Subsequently name changed to M/s Unibev Limited w.e.f. 04<sup>th</sup> June 2015) is yet to commence the commercial operation

## Part "B": Associates and Joint Ventures

There is no Associates and Joints Ventures of the Company

For and on behalf of the Board of Directors

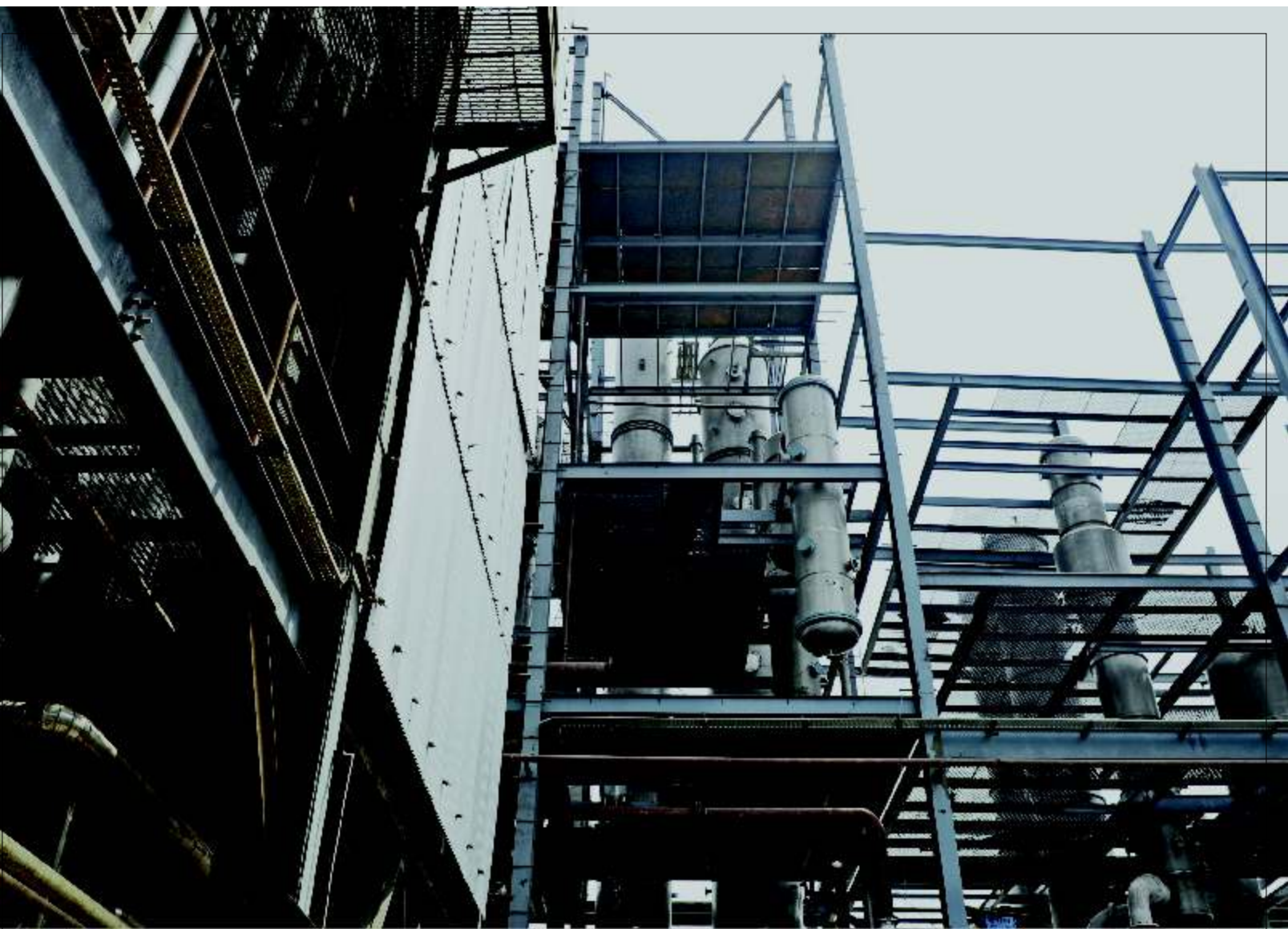
Sd/-  
**Ajay K. Swarup**  
Managing Director  
DIN-00035194

Sd/-  
**Manik Lal Dutta**  
Executive Director  
DIN-00769308

Sd/-  
**Santosh Kumar Pattanayak**  
Company Secretary  
ACS-18721

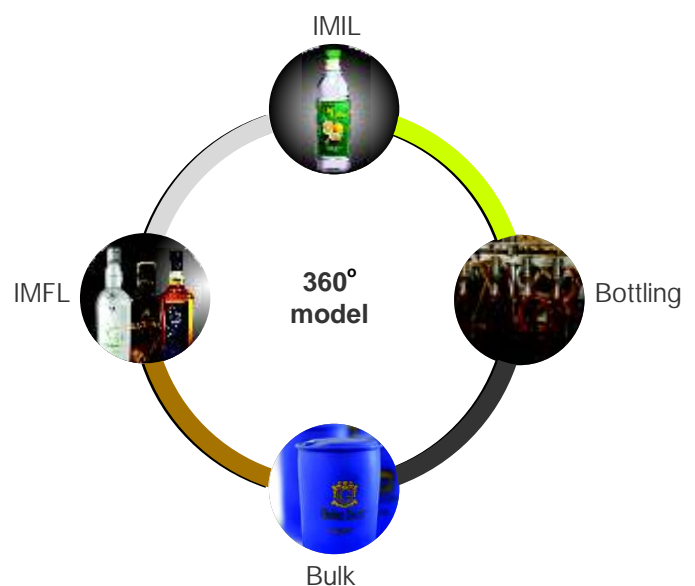
Sd/-  
**Bhaskar Roy**  
Executive Director & CFO  
DIN-02805627

Place : New Delhi  
Date : 13/08/2015



# Management Discussion & Analysis

In fiscal year 2014-15, the Indian economy started showing signs of revival, which was reflected in a higher GDP growth of 7.3%. This growth was aided by positive policy actions from the government and a significant drop in crude oil prices which also contributed to inflation dropping to single digits after a prolonged period of double digit inflationary conditions. Simultaneously, this enabled the government to contain current account deficit. As a result of all this, India started gaining recognition on the global landscape as one of the fastest growing economies and foreign investment picked up as a consequence.





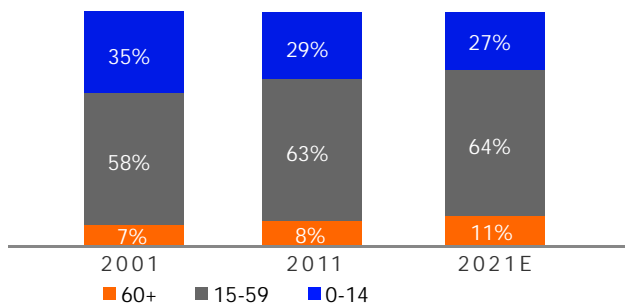
Though these measures have not yet resulted in a visible increase in consumer spending, sentiment has clearly improved. Sustained lower inflation levels, higher GDP growth and government's initiatives on financial inclusion are expected to positively impact growth in consumption sectors.

### INDIAN SPIRITS INDUSTRY

After experiencing rapid growth from 2001 to 2012, Indian spirits industry growth decelerated significantly to low single digit levels in 2013. The Indian consumption story was affected by falling disposable incomes and impact on spirits industry was even worse as state governments resorted to higher excise duties to shore up state revenues. However, with revival in the economy, the trend in the spirits sector too is expected to reverse. According to research firm IWSR, which tracks spirits/ IMFL industry, volume growth in the Indian spirits market is expected to be at 18.8% CAGR during 2014-19 (Source: TR Business).

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

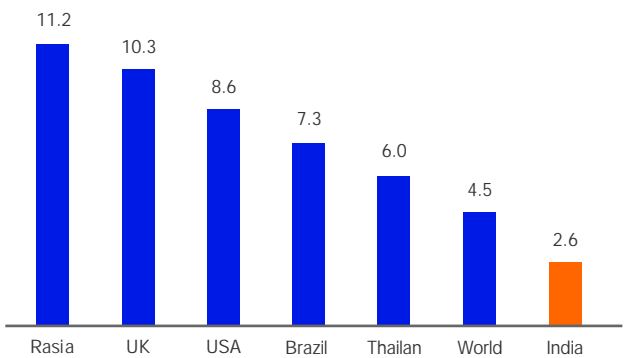
Increasing drinking age population



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

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

Per capita (15+ years) alcohol consumption In Bulk litre (2011)



Source: WHO; Estimate for India

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

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

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





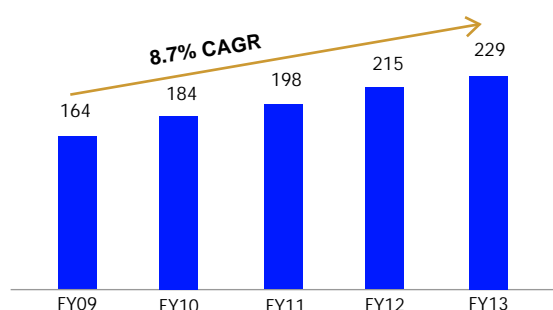
**Table1: Differences between IMIL and IMFL**

	IMIL	IMFL
Likely Consumer Market 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 IMFL with increasing affluence in India: e.g. ~14%+ CAGR for households with HPI >10 (SEC C+)
Taste Preference	Local fruit flavor dominated market, varies with states	North India - Whisky, East India - Rum, South India - Brandy & Rum
Point of Purchase	State Government Regulated 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 Rs40 per Proof Litre
Alcohol Content	~30% on average Usually made from Rectified Spirits in most of the states	42.8% IMFL is made from ENA (higher purity 96%)
Min Retail Price	Rs 30 per nip (smallest size)	Starts from Rs 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 has high degree of under-reporting; hence the actual market could be much higher.

#### IMIL Market Size (` Crore)



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.

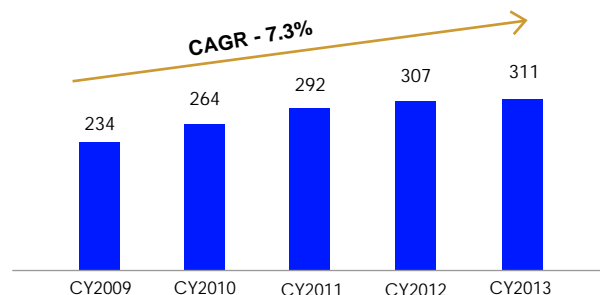
WHO, in 2005, estimated the illicit and unreported segment

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

After experiencing rapid growth during 2001 to 2011 period, growth in IMFL industry has slowed down to 7.3% CAGR over 2009-2013. The market at present is dominated by strong national brands at low price points.

#### IMFL Market Size (` Crore)



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.

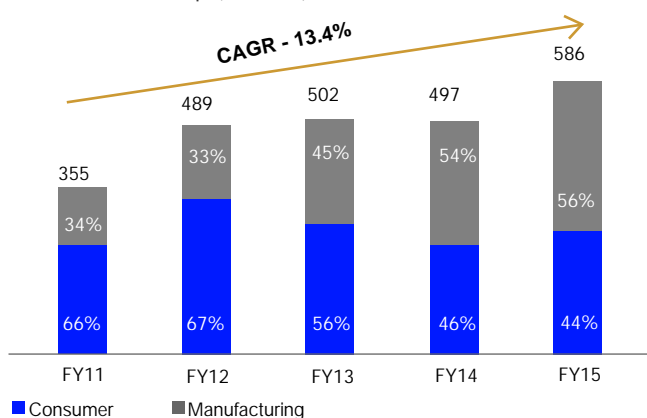
## Business Overview

In fiscal year 2014-15, your Company posted revenues of ₹ 585.7 crore up from ₹ 496.5 crore in the previous year, translating to robust revenue growth at 18%. Net profit after tax was at ₹ 7.1 crore up from ₹ 4.3 crore in fiscal year 2013-14. This performance was against the backdrop of a highly competitive environment in one of your Company's main markets, i.e., Haryana and once again reinforced your Company's unique 360° business model, which ensures resilience from local disruptions enabling growth maximization.

During the year while both consumer and manufacturing verticals experienced healthy double-digit growth, higher growth in the manufacturing business led to its share in revenues increasing from 54% to 56% to reach ₹ 325.8 crore. The consumer business recorded revenue of ₹ 259.9 crore with 44% revenue share.

Your Company's plans to reduce geographical dependence by expanding to East India also picked up pace. Construction on greenfield facilities in both West Bengal and Bihar was initiated during the year, with both plants expected to get commissioned in fiscal year 2016-17.

### Revenue Breakup (₹ Crore)



### Manufacturing Business

The manufacturing business revenue, comprising (a) bulk alcohol manufacturing and (b) franchisee IMFL (third party bottling), grew by 22.5% to reach ₹ 325.8 crore during FY2014-15.

The bulk alcohol division is the backbone of your Company's 360° business model and provides high quality Extra Neutral Alcohol to the other divisions, ensuring a sustainable competitive advantage. During the year, capacity utilization increased from 75% in FY 2013-14 to 77% in FY 2014-15 at your Company's distilleries, resulting in production of 6.9 crore bulk alcohol litres. More than 50% of this was used for consumer business and franchisee bottling, balance remaining thereafter was sold externally. Bulk alcohol sales reported ~5% volume growth, exports showed excellent traction, growing to 3x over the previous year. This partly offset adverse demand situation in Haryana caused by entry of new distilleries and slowdown in spirits offtake. Your Company incorporated a subsidiary in UAE to facilitate the exports business.

Bulk alcohol realisations improved by 5% during the year. Input prices stabilized after a prolonged period of expansion. Your

Company continued its focus on productivity enhancement and witnessed improvement in yield levels.

Volumes in the franchisee IMFL business grew over 17% in FY2014-15 to reach 33 lakh cases, showing strong growth third year in a row. Your Company has robust quality management and performance reporting systems which coupled with captive high quality Extra Neutral Alcohol (ENA) gives unmatched value to India's top IMFL companies. This is reflected in increased franchisee volumes as customers consolidate bottling operations at our facilities.

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.

In a landmark achievement, your Company launched DDGS, a value added by-product, in India. Rich in protein and energy, the product partially replaces soya in animal feed. Within a short period of time, the product has already started experiencing strong traction and demand has been consistently outstripping supply. Your Company is focusing on building awareness about product uses and expects to reap benefits from this in form of higher realizations. FY15-16 will be first full year of operations for the new DDGS capacities set up in both Rajasthan and Haryana.

### Consumer Business

The consumer business comprising (a) Indian Made Indian Liquor and (b) Indian Made Foreign Liquor recovered from a decline in FY13-14 to post revenue growth of 13% in FY2014-15. This was driven by Rajasthan IMIL market, wherein volumes grew by 20%. Your Company also expanded its geographical presence by entering Bihar IMIL market, thereby reducing dependence on North Indian states. Pursuant to a tender win, your Company has exclusive IMIL marketing rights in the largest district in Bihar for five years starting FY2014-15. Growth in volumes from these states, however, was partially offset by volume de-growth of 17% in the state of Haryana which continued to go through a rough phase facing high competitive intensity.

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 has operated historically – Haryana, Rajasthan and Delhi. With competitive intensity increasing, your Company has decided to focus on building strong brands with unique value proposition for the bottom of the pyramid consumer. It pioneered branding in IMIL in 2011 with the launch of Nimboo. The pre-launch efforts in developing an innovative product with differentiated packaging and building a cohesive communication strategy showed immediate results with the product becoming an instant success.

Your Company has double digit market shares in all three states and is also the largest private IMIL Company in Rajasthan (with 25% market share) and second largest player in Haryana.

The consolidated IMIL sale stood at 8.6 million cases in FY2014-15, including 0.3 million cases sold in Bihar after commercialization of operations in the last quarter.



## IMIL Brand Portfolio



**Nimboo**

**1<sup>st</sup> 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**



**Narangi**

**Popular dark spirits' brand**

Positioned as refreshing and juicy as Orange



**Goldee**

**1<sup>st</sup> 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.



**Heer Ranjha**

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



**Ghoomer**

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

IMFL is a much younger business contributing ~2% of the consumer revenues. This was launched in FY2007-08. 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. However, your Company is now re-orienting this strategy in line with the 'premiumization' trend in the industry. New brand launches would be in niche categories, low volume and high growth. Your Company has begun the process of rationalization of brands in lower price categories.

## 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 FY2014-15, your company completed the process of land acquisition in West Bengal and Bihar and is well on track to establish distilleries in these states in FY2016-17.

Your company's entry in the Bihar IMIL market is a step towards gaining a foothold in the region.

## Financial Highlights

- Revenues at ` 585.7 crore
- EBITDA at ` 48.7 crore with EBITDA margin of 8.3%
- PAT at ` 7.1 crore, with margin of 1.2%. Impacted by accelerated amortization of ` 7.2 crore on Intangible assets

## 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 CO<sub>2</sub>. 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 CO<sub>2</sub>. All Carbon dioxide generated in fermentation shall be collected purified and sold to

buyers including soft drink manufacturers and others thus abating air pollution.

- d) Proper disposal of all effluent related products such as spent grain and fly ash. Spent Grain shall be sold as cattle feed (see below) and fly ash/ash disposed off for land fill or for brick making.

## Details of Zero Discharge – Liquid Discharges

### Achieved through the following steps

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

## Water Management

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

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

## **R & D Activities in Globus (Technology)**

- a) Higher efficiencies of conversion: The expansion was done with the state of the art latest technologies to get the best conversions to alcohol at the highest efficiencies. This would be in lines with the best practices being followed. We are also working on improving conversions not only of starch but also to alcohol with new strain enzymes and yeasts.
- b) Improving Distillation techniques and translating that to the plant in the expansion – Multi-pressure: To improve both on quality and energy consumption the distillation plant shall be of the multi-pressure design which would give us the benefit of both. The quality would be matched with the best alcohol available in the country.
- c) Looking at alternate disposals of spent grain: To keep in lines with the requirements of government regulations we would look at the waste as cost center and are looking at alternative markets in the cattle feed segment for its best disposal at the best price. Branding of the product is also being examined.
- d) Looking at better blends as final product diversification: With better quality alcohol available we are moving to higher segments in the potable alcohol sector with better blends and brands and would be launching further brands in the future to build our market.
- e) Alternate uses of Biogas to derive greater value for additional power and so on: Power generation directly from biogas is being examined. While it is being used presently for the generation of power through the steam route a direct more efficient system of power generation is also being examined through gas engines.

## **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 2015, the employee (excluding casual) count for the company stood at 276 compared to 244 on 31st March 2014.

## **Disclaimer**

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



# Report on Corporate Governance

for the year ended 31 March, 2015

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:

## **1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

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

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

### **1.1 Key Board activities during the year**

The Board provides and critically evaluates strategic direction of the Company, management policies and their effectiveness. Their main function is to ensure that long-term interests of the stakeholders are being served. The agenda for Board reviews / strategic review include from each of the Board Committees, a detailed analysis and review of annual strategic and operating plans and capital allocation and budgets. In addition, the Board reviews the business plans of Strategic Business Units. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for future growth of the Company. Voluntary Corporate Governance Guidelines of the

Ministry of Corporate Affairs, Government of India broadly outline a framework for corporate sector on important parameters like appointment of directors, guiding principles to remunerate directors, responsibilities of the Board, risk management, the enhanced role of Audit Committee and conduct of Secretarial Audit and Secretarial Standards as per guidelines of ICSI and Companies Act, 2013 (Act).

## **1.2 Role of the Company Secretary in Overall Governance Process**

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. He ensures that all relevant information, details and documents are made available to the directors for effective decision making at the meetings. He is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the Company and the regulatory authorities.

## **1.3 Selection and Appointment of New Directors on the Board**

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

## **1.4 Familiarization Program of Independent Directors**

The Independent directors of our Company are eminent personalities having wide experience in the field of business, finance, education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions. Independent Directors are appointed as per the

Governance guidelines of the Company, with management expertise and wide range of experience. The new Board members are also requested to access the necessary documents / brochures, Annual Reports and internal policies available at our website [www.globusspirits.com](http://www.globusspirits.com) to enable them to familiarize with the Company's procedures and practices. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Independent directors.

### **1.5 Prevention of Insider Trading**

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 1992 Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices' for prevention of insider trading is in place. The objective of the Code is to prevent purchase and / or sale of shares of the Company by an insider on the basis of unpublished price sensitive information. Under this Code, Designated persons (Directors, Advisors, Officers and other concerned employees / persons) are prevented from dealing in the Company's shares during the closure of Trading Window. All the designated employees are also required to disclose related information periodically as defined in the Code. The aforesaid Code is available at the website of the Company [www.globusspirits.com](http://www.globusspirits.com).

### **1.6 Vigil Mechanism**

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

## **2. BOARD OF DIRECTORS**

### **Composition**

The Board of Directors of the Company consists of an

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

The present Board consisted of 10 Directors comprising the Chairman being Non-Executive & Independent Director, one Managing Director, three Executive cum whole-time Directors, three Independent Directors, one Non-Executive Director and one non-executive and woman director. The Board meets the requirement of not less than one third being independent Directors. The size and composition of the Board conforms to the requirements of 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 2014-15, 5 (Five) Board Meetings were held on 29th May 2014, 14th August 2014, 14th November 2014, 12th February 2015 and 28th March 2015.

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 Financial Year 2014-15	Last AGM	Director-ships	Committee Member-ships	Committee Chairman-ships
Sh Gautam Premnath Khandelwal (Refer Note-2)	NE-I-C	NIL	No	-	-	-
Sh. Vivek Gupta	NE-I-C	1	No	7	1	-
Sh. Ajay K. Swarup	MD-P	4	Yes	7	1	1
Sh. Shekhar Swarup	E-P	5	Yes	5	-	-
Sh. Manik Lal Dutta	E	5	Yes	-	-	-
Dr. Bhaskar Roy	E	5	Yes	3	-	-
Sh. Joginder Singh Dhamija	NE-I	4	No	-	-	-
Sh. Santosh Kumar Bishwal	NE-I	3	No	1	-	-
Sh. Kunal Agarwal	NE-I	4	No	-	-	-
Sh. Rajesh Sehgal	NE- N	3	Yes	1	2	-
Ms. Ruchika Bansal (Refer Note-2)	NE-W	1	No	-	-	-

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

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

Note: 1. Private Limited Companies, Foreign Companies and companies under Section 25 of the companies Act, 1956/ Section 8 of the Companies Act, 2013 are excluded for the above purposes.

2. During the Financial Year 2014-15, Sh. Gautam Premnath Khandelwal has resigned from Directorship of the Company w.e.f. 14 th November 2014 and Ms. Ruchika Bansal has been inducted in the Board w.e.f. 28th March 2015.

3. Sh. Vivek Gupta has been appointed as Chairman of the Board of Directors of the Company w.e.f. 28th March 2015.

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

**Directors seeking re-appointment:** As required by Clause 49 of the Listing Agreement, details of Directors seeking re-appointment / appointment are forming part of the notice of 22<sup>nd</sup> 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](http://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, 2015, all Board members and Senior Management Personnel have affirmed compliance with the code of Conduct for Directors and Senior Management respectively.

13<sup>th</sup> August, 2015

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



### 3. AUDIT COMMITTEE

#### BROAD TERMS OF REFERENCE

The terms of reference of this Committee covers the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 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, reporting structure, coverage and frequency of internal audit
- xviii. Discussion with internal auditors of any significant findings and follow up thereon
- 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 the management
  - c) Management letters / letters of internal control weaknesses issued by the statutory auditors
  - d) Internal audit reports relating to internal control weaknesses; and
  - e) The auditors of the Company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.

## COMPOSITION

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

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

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

\* Sh. Shekhar Swarup and Sh. Kunal Agarwal have been inducted in Audit Committee w.e.f. 29<sup>th</sup> May 2014.

# Dr. Bhaskar Roy has resigned from the membership of the Audit Committee w.e.f. 29<sup>th</sup> May 2014.

During the Financial Year 2014-15, 4 (Four) Audit Committee Meetings were held on 29<sup>th</sup> May, 2014, 14<sup>th</sup> Aug. 2014, 14<sup>th</sup> November, 2014 and 12<sup>th</sup> February 2015. The attendance of Audit Committee meeting is as follows:

Members	Designation	No. of Meetings attended
Sh. Santosh Kumar Bishwal	Chairman	3
Sh. Joginder Singh Dhamija	Member	3
Sh. Rajesh Sehgal	Member	3
Sh. Kunal Agarwal	Member	2
Sh. Shekhar Swarup	Member	3
Dr. Bhaskar Roy	Member	1

## 4. NOMINATION AND REMUNERATION COMMITTEE

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

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

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

#### 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	Sh. Rajesh Sehgal	Member	Non-Executive Director
3	Sh. Gautam Premnath Khandelwal*	Member	Non-Executive Director

\* During the year Sh. Gautam Premnath Khandelwal has resigned from the membership of the committee w.e.f. 14<sup>th</sup> November 2014.

#### Remuneration Policy:

The Company has adopted a nomination & remuneration policy during the year vide its Board Meeting dated 12th February 2015.

##### a) Payment Terms for Executive Directors

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

##### b) Payment Terms for Non-Executive Directors

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

During the Financial Year 2014-15, 1 (One) Remuneration Committee Meeting was held on 14th Aug. 2014. 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



**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 2015 are as under:

S. No.	Name	Designation	Salaries & Allowance (₹)	Other Benefits (₹)	Commission (₹)	Total (₹)
1.	Sh. Ajay K. Swarup	Managing Director	62,40,000/-	Nil	Nil	62,40,000/-
2.	Sh. Manik Lal Dutta	Executive Director	27,56,245/-	Nil	Nil	27,56,245/-
3.	Sh. Shekhar Swarup	Executive Director	30,95,400/-	Nil	Nil	30,95,400/-
4.	Dr. Bhaskar Roy	Executive Director	37,48,773/-	Nil	Nil	37,48,773/-

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 Financial Year 2014-15 are as under.

Name of the Independent Director	Sitting Fees (₹)
Sh. Joginder Singh Dhamija	1,20,000
Sh. Santosh Kumar Bishwal	1,10,000
Sh. Vivek Gupta	1,000
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 2015 except getting sitting fees for the meeting attended by them.

#### 5. STAKEHOLDERS RELATIONSHIP COMMITTEE COMPOSITION

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

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

**COMPLIANCE OFFICER**

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

#### DETAILS OF SHAREHOLDERS' / INVESTORS' COMPLAINTS RECEIVED AND ATTENDED

Number of Shareholders'/Investors' Complaints received during the period 01 April 2014 to 31 March.2015	8
Number of Complaints attended/resolved	8
Number of pending complaints as on 31 March 2015	NIL

#### 6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

**COMPOSITION**

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

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

Terms of reference of the CSR Committee are:

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

The Company has adopted a policy on Corporate Social

Responsibility as required under section 135 of The Companies Act, 2013 vide its Board Meeting dated 14th August 2014 which is also available at the website of the Company : [www.globusspirits.com](http://www.globusspirits.com). During the year, 1 CSR Committee meetings was held on 12th February 2015.

## 7. RISK MANAGEMENT COMMITTEE:

### COMPOSITION

The constitution of the Risk Management Committee is as under:-

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

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

## 8. Subsidiary Company:

Your Company has two direct subsidiaries viz., M/s Globus Trade Bay Limited (Foreign subsidiary - incorporated in UAE) and M/s Uber Blenders & Distillers Limited (Subsequently name changed to M/s Unibev Limited w.e.f. 04<sup>th</sup> June 2015) (Indian subsidiary).

## 9. GENERAL BODY MEETINGS

Details of the last three Annual General Meetings:

Date of Meeting	Location of the Meeting	Time	Whether any Special Resolution Passed in previous AGM
21.09.2012	Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-110003	11:30 A.M.	No
25.09.2013	Auditorium of IETE, 2, Institutional Area, Lodhi Road, New Delhi-110003	11:00 A.M.	No
24.09.2014	Auditorium of IETE, 2, Institutional Area, Lodhi Road, New Delhi-110003	11:00 A.M.	Yes

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

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

No. of valid votes casted (through E-voting & postal ballot forms): 17316883

Total votes casted in favour of resolution: 17314391 (99.99%)

Total votes casted against the resolution: 2492(0.01%)

## 10. 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 except as described by Auditors in the Basis for Qualified Opinion paragraph of their audit report on the Standalone and Consolidated Financial Statements. The management's explanation in respect of such qualification, has been included in Directors Report under para Auditors Report.

### iii) Details on Non-Compliance

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 a policy on vigil mechanism as required under The Companies Act, 2013. The Company has not denied access to any personnel, to approach the management/Audit Committee on any issue.

**v) CEO/CFO Certificates**

The Managing Director, Sh. Ajay Kumar Swarup and CFO Mr. Bhaskar Roy have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting purpose as required under Clause 49 (IX) of the Listing Agreement, for the year ended 31st March, 2015.

**vi) Compliance with Mandatory Requirements**

The Company has submitted to stock exchange on quarterly basis the compliance status of all the

Mandatory Requirements pursuant to Clause 49 of the Listing Agreement.

**11. 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](http://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

**12. GENERAL SHAREHOLDERS INFORMATION**

**a) Annual General Meeting:**

Date & Time : Monday, 28th September, 2015 at 11:00 A.M.  
Venue : Auditorium of IETE, 2, Institutional Area, Lodhi Road, New Delhi- 110003

- b) Financial Year : 01st April, 2014 to 31st March, 2015  
c) Book Closure : 22<sup>nd</sup> Sept., 2015 to 28th Sept., 2015 (both days inclusive)  
d) Dividend : No dividend is proposed for the Financial Year 2014-15.  
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

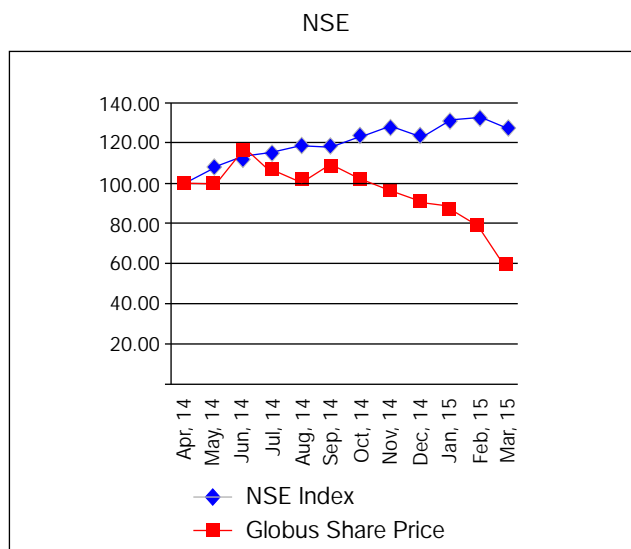
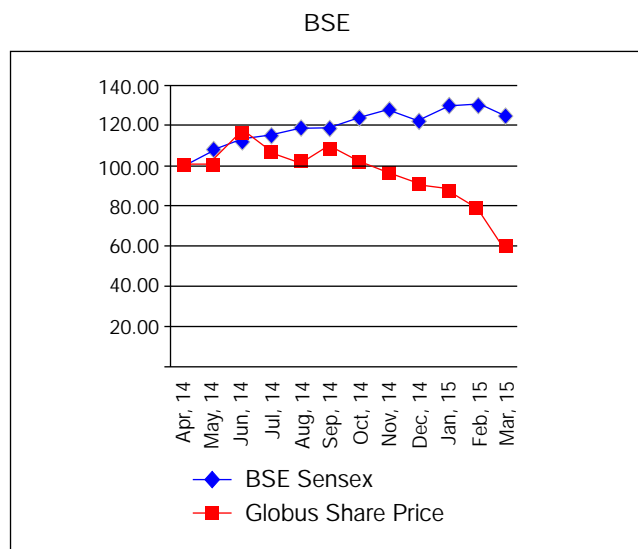
**g) Stock Market Price Data for the year 2014-15**

Month	BSE Price (₹)		NSE Price (₹)	
	High	Low	High	Low
April, 2014	84.30	65.00	84.30	72.60
May, 2014	88.40	71.15	88.50	71.20
June, 2014	93.00	73.90	93.00	73.65
July, 2014	91.15	77.20	91.00	77.00
August, 2014	85.70	74.85	85.90	74.15
September, 2014	86.10	71.30	86.35	70.40
October, 2014	81.40	73.00	81.50	73.00
November, 2014	83.00	70.30	83.30	70.60
December, 2014	84.00	62.00	77.95	62.30
January, 2015	70.90	60.40	70.85	60.20
February, 2015	65.85	58.00	65.75	58.10
March, 2015	62.00	39.25	62.00	39.00



### Performance in comparison with Indices (BSE/NSE)

Base is 100 as at March 31, 2014



### Distribution of Equity shareholding as on 31<sup>st</sup> March 2015

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	10691	84.9031	1500543	5.2104
501 to 1000	1057	8.3942	852776	2.9611
1001 to 2000	435	3.4546	661566	2.2972
2001 to 3000	150	1.1912	380937	1.3227
3001 to 4000	59	0.4686	214596	0.7451
4001 to 5000	50	0.3971	239252	0.8308
5001 to 10000	84	0.6671	594111	2.0629
10001 & above	66	0.5241	24355487	84.5698
<b>GRAND TOTAL</b>	<b>12592</b>	<b>100.00</b>	<b>28799268</b>	<b>100.00</b>

### Shareholding Pattern as on 31<sup>st</sup> March, 2015:

CATEGORY	NO. OF SHARE HELD	% OF HOLDING
<b>Equity:</b>		
<b>A. Promoter &amp; Promoter Group</b>		
1. India	16236064	56.38
2. Foreign	-	-
<b>Total (A)</b>	<b>16236064</b>	<b>56.38</b>
<b>A. Public</b>		
1. Institutions	1921182	6.67
2. Non-Institutions	10642022	36.95
<b>Total (B)</b>	<b>12563204</b>	<b>43.62</b>
<b>Grand Total (A+B)</b>	<b>28799268</b>	<b>100</b>

### Dematerialization of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialized form. As on 31st March, 2015, 99.998% of total equity shares were held in dematerialized form. Out of the above 7,63,359 Equity shares are locked-in-share upto 17/11/2017.

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

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

- Plant Locations**
- 1) Vill: Shyampur, Tehsil: Behror, Dist: Alwar, Rajasthan
  - 2) 4 K.M., Chulkana Road, Vill: Samalkha, Dist: Panipat, Haryana
  - 3) National Highway, Hisar Bye-pass, Hisar, Haryana
  - 4) Dhanki Talab, Kumharar, Panta, Bihar

### Registrar and Share Transfer Agents: (STA)

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

#### Investor correspondence address

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

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

#### NON-MANDATORY REQUIREMENTS

##### (1) CHAIRMAN OF THE BOARD

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

##### (2) SHAREHOLDERS' RIGHTS

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

##### (3) AUDIT QUALIFICATIONS

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

##### (4) SEPARATE POST OF CHAIRMAN AND MANAGING DIRECTOR

The Company has separately appointed Chairman and Managing Director.

##### (5) REPORTING OF INTERNAL AUDITOR

The Internal Auditors reports directly to the Audit Committee.

### REQUEST TO SHAREHOLDERS

#### Demat of Shares:

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

#### Consolidation of Multiple Folios:

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

#### Registration of Nominations:

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

#### Update of address:

Shareholders are requested to update their addresses registered with the Company, directly through the STA, to receive all communications promptly. Shareholders, holding shares in electronic form, are

requested to deal only with their DPs in respect of change of address, furnishing bank account number, etc.

### GREEN INITIATIVE IN CORPORATE GOVERNANCE

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

Compliance

The Certificate dated 1<sup>st</sup> September 2015 obtained from our statutory auditors DELOITTE HASKINS & SELLS, Gurgaon forms part of this Annual Report.

# Auditor's Certificate on Corporate Governance

To The Members of

**GLOBUS SPIRITS LIMITED**

We have examined the compliance of conditions of Corporate Governance by Globus Spirits Limited for the year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement, except for the requirement of composition of audit committee.

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  
(Firm's Registration No. 015125N)

Sd/-  
**Vijay Agarwal**  
Partner  
Membership No. 094468

Gurgaon, September 1, 2015

# 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, 2015.
- (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, 2015;
  - (ii) significant changes in accounting policies during the financial year ended 31st March, 2015 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 : 13 August 2015

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

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



# Independent Auditors' Report

## Report on the Consolidated Financial Statements

To The Members  
GLOBUS SPIRITS LIMITED

We have audited the accompanying consolidated financial statements of **GLOBUS SPIRITS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

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

report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Basis for Qualified Opinion

*As on March 31, 2015, Fixed Assets include Intangible Assets aggregating to ₹ 2,164.95 Lacs under the head "Knowhow and New Brand Development" representing intangibles internally generated by the Holding Company through expenditure on advertisement and promotional expenses. Such recognition is not in accordance with Accounting Standard – 26 "Intangible Assets". Had the Holding Company complied with requirements of AS-26, Fixed Assets as at March 31, 2015 would have been lower by ₹ 2,164.95 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 ₹ 741.69 Lacs and Reserves and Surplus would be lower by ₹ 1,415.70 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 consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## Other Matters

We did not audit the financial statements of Uber Blenders & Distillers Limited the subsidiary, whose financial statements reflect total assets of ` 10.61 Lacs as at 31st March, 2015, total revenues of ` Nil and net cash flows amounting to ` 9.68 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears

from our examination of those books and the report of the other auditor.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditor of its subsidiary company incorporated in India, none of the other directors of the Group's company incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 23.1 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company, incorporated in India.

## For DELOITTE HASKINS & SELLS

Chartered Accountants  
(Firm Registration No. 015125N)

Sd/-  
**VIJAY AGARWAL**  
Partner

(Membership No. 094468)

New Delhi, May 20, 2015

## 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)

**Our reporting on the Order includes one subsidiary company, incorporated in India, to which the Order is applicable, which has been audited by other auditor and our report in respect of this entity is based solely on the report of the other auditor, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.**

Having regard to the nature of the holding Company's business / activities / results during the year, clauses (v) and (x) of paragraph 3 of the Order are not applicable to the holding Company.

"Having regard to the nature of the subsidiary Company's business / activities / results during the year, clauses (i), (ii), (v), (vi), (viii), (ix), (x) and (xi) of paragraph 3 of the Order are not applicable to the subsidiary Company."

(i) In respect of the fixed assets of the Holding Company:

- (a) The Company has maintained records showing particulars, including situation of fixed assets, however, with respect to quantitative details the same is in process of being updated. For the assets acquired during the year, such particulars have been maintained.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanation given to us, the Company is in process of reconciling the same with fixed assets register, accordingly discrepancies, if any, has not been identified on such verification.

(ii) In respect of the inventories of the Holding Company:

- (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals except in case of inventories lying with third parties, where confirmations has been obtained from third parties in respect of such inventories.
- (b) In our opinion and according to the information and explanation 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 Holding Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Holding Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Holding Company, has granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of such loans:

- (a) The Holding Company has granted loan amounting to ₹ 31.14 lacs to a wholly owned subsidiary during the year. At the year-end, the outstanding balances of such loans granted was ₹ 31.14 lacs and the maximum amount involved during the year was ₹ 31.14 lacs.
- (b) According to the information and explanation given to us, the above loans are receivable on demand, which as informed to us, have not been recalled by the Holding Company. Accordingly para 3(iii)(b) of the Order is not applicable.

The subsidiary company incorporated in India has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities.

- (iv) In our opinion and the opinion of the other auditor and according to the information and explanations given to us and the other auditor, there is an adequate internal control system in the Holding Company and subsidiary Company incorporated in India, commensurate with the size of respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of other auditors audit no continuing failure to correct major weaknesses in such internal control system has been observed. However, in case of Holding Company for purchase of fixed assets certain controls need to be strengthened and the weakness is a continuing failure to correct major weaknesses in such internal control system.
- (v) We have broadly reviewed the cost records maintained by the Holding Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vi) According to the information and explanations given to us, in respect of statutory dues of the Holding Company and subsidiary incorporated in India:
  - (a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value

Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

- (b) There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax and Excise Duty in Holding Company which have not been deposited as at March 31, 2015 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	Appellate authority upto Commissioners' level	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 Holding 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.

There were no dues of Sales Tax, Wealth Tax, Service Tax, Customs Duty, Value Added Tax and Cess which have not been deposited as at March 31, 2015 on account of disputes.

- (d) There are no amounts that are due to be transferred by the aforesaid entities to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (vii) The Holding Company does not have accumulated losses. The Holding Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (viii) In our opinion and according to the information and explanations given to us, the Holding Company has not defaulted in repayment of dues to a financial institution; however, during the year there are delays in repayment of dues to banks for a maximum period of 22 days with a maximum amount in delay was ` 5,079,961. There was no such default at the year end. The Holding Company has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Holding Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company and its subsidiary Company incorporated in India and no material fraud on the Holding Company and its subsidiary Company incorporated in India has been noticed or reported during the year.

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

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

New Delhi, May 20, 2015



# Consolidated Balance Sheet

as at 31 March, 2015

(` in lacs)

Particulars		Note No.	As at 31 March, 2015
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Shareholders' funds</b>		
	(a) Share capital	3	2,879.93
	(b) Reserves and surplus	4	32,593.94
			<b>35,473.87</b>
<b>2</b>	<b>Non-current liabilities</b>		
	(a) Long-term borrowings	5	4,996.43
	(b) Deferred tax liabilities (net)	29.1	4,680.31
	(c) Long-term provisions	6	122.20
			<b>9,798.94</b>
<b>3</b>	<b>Current liabilities</b>		
	(a) Short-term borrowings	7	7,295.50
	(b) Trade payables	8	7,812.08
	(c) Other current liabilities	9	3,830.23
	(d) Short-term provisions	6	234.08
			<b>19,171.89</b>
	<b>TOTAL</b>		<b>64,444.70</b>
<b>B</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	(a) Fixed assets		
	(i) Tangible assets	10	43,883.46
	(ii) Intangible assets	10	2,164.95
	(iii) Capital work-in-progress		3,123.30
	(b) Non-current investments	11	2.98
	(c) Long-term loans and advances	12	4,435.14
	(d) Other non current assets	13	19.20
			<b>53,629.03</b>
<b>2</b>	<b>Current assets</b>		
	(a) Current investments	11	7.28
	(b) Inventories	14	5,005.30
	(c) Trade receivables	15	3,815.35
	(d) Cash and cash equivalents	16	680.46
	(e) Short-term loans and advances	12	1,265.25
	(f) Other current assets	13	42.03
			<b>10,815.67</b>
	<b>TOTAL</b>		<b>64,444.70</b>
	<b>See accompanying notes forming part of the consolidated financial statements</b>	1 to 31	

In terms of our report attached.

For and on behalf of the Board of Directors

**For Deloitte Haskins & Sells**  
Chartered Accountants

Sd/-  
**Vijay Agarwal**  
Partner  
Membership No. 094468

Place : New Delhi  
Date : May 20, 2015

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

Sd/-  
**Santosh Kumar Pattanayak**  
Company Secretary  
ACS-18721

Place : New Delhi  
Date : May 20, 2015

Sd/-  
**Manik Lal Dutta**  
Executive Director  
DIN-00769308

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

# Consolidated Statement of Profit and Loss

for the year ended 31 March, 2015

(` in lacs)

	Particulars	Note No.	For the year ended 31 March, 2015
1	Revenue from operations (gross)	17	88,465.79
	Less: Excise duty	17	29,827.07
	Revenue from operations (net)		<b>58,638.72</b>
2	Other income	18	399.79
3	<b>Total revenue (1+2)</b>		<b>59,038.51</b>
4	<b>Expenses</b>		
	(a) Cost of materials consumed	19.a	35,129.07
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19.b	67.24
	(c) Employee benefits expense	20	1,456.68
	(d) Finance costs	21	1,407.94
	(e) Depreciation and amortisation expense	10	2,872.63
	(f) Other expenses	22	17,094.64
	<b>Total expenses</b>		<b>58,028.20</b>
5	<b>Profit before tax (3 - 4)</b>		<b>1,010.31</b>
6	<b>Tax expense :</b>		
	(a) Current tax expense		225.97
	(b) (Less): MAT credit		-
	(c) Short provision for tax relating to prior years		16.90
	(d) Deferred tax		93.43
	Net tax expense		<b>336.30</b>
7	<b>Profit for the year (5 - 6)</b>		<b>674.01</b>
8	<b>Earnings per share (of Rs.10/- each):</b>		
	(a) Basic	28	1.84
	(b) Diluted	28	1.81
	<b>See accompanying notes forming part of the consolidated financial statements</b>	1 to 31	

In terms of our report attached.

For and on behalf of the Board of Directors

**For Deloitte Haskins & Sells**  
Chartered Accountants

Sd/-  
**Vijay Agarwal**  
Partner  
Membership No. 094468

Place : New Delhi  
Date : May 20, 2015

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

Sd/-  
**Santosh Kumar Pattanayak**  
Company Secretary  
ACS-18721

Place : New Delhi  
Date : May 20, 2015

Sd/-  
**Manik Lal Dutta**  
Executive Director  
DIN-00769308

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

# Consolidated Cash Flow Statement

## for the year ended 31 March, 2015

(` in lacs)

Particulars	For the year ended 31 March, 2015	
<b>A. Cash flow from operating activities</b>		
Profit before tax		1,010.31
Adjustments for:		
Depreciation and amortisation expense	2,872.63	
loss on sale of assets	18.58	
Finance costs	1,407.94	
Interest income	(184.29)	
Dividend income	(0.42)	
Other Income	(30.43)	
Liabilities / provisions no longer required written back	(136.16)	
Bad trade and other receivables, loans and advances written off	117.38	
Provision for doubtful trade and other receivables, loans and advances	16.51	4,081.74
Operating profit / (loss) before working capital changes		5,092.05
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(452.92)	
Trade receivables	780.41	
Short-term loans and advances	308.51	
Long-term loans and advances	(175.16)	
Other non-current assets	(19.20)	
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(103.50)	
Other current liabilities	777.69	
Short-term provisions	(89.03)	
Long-term provisions	14.25	1,041.05
Cash generated from operations		6,133.10
Net income tax (paid)		(40.00)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>6,093.10</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(9,716.15)	
Proceeds from sale of fixed assets	17.55	
Interest income	169.26	
Other Income	30.43	
Bank balances not considered as Cash and cash equivalents-Matured	5.79	(9,493.12)
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(9,493.12)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of share warrants	801.52	
Proceeds from long-term borrowings	5,500.00	
Repayment of long-term borrowings	(1,801.52)	
Proceeds from other short-term borrowings	1,527.97	
Repayment of other short-term borrowings	(998.40)	
Finance costs	(1,385.01)	
Dividends paid	(167.52)	
Tax on dividend	(28.47)	3,448.57
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>3,448.57</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>48.55</b>
Cash and cash equivalents at the beginning of the year		450.62
<b>Cash and cash equivalents at the end of the year</b>		<b>499.17</b>
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		499.17
<b>See accompanying notes forming part of the consolidated financial statements</b>	1 to 31	

### For Deloitte Haskins & Sells

Chartered Accountants

Sd/-

**Vijay Agarwal**  
Partner

Membership No. 094468

Place : New Delhi

Date : May 20, 2015

### For and on behalf of the Board of Directors

Sd/-

**Ajay K. Swarup**  
Managing Director  
DIN-00035194

Sd/-

**Santosh Kumar Pattanayak**  
Company Secretary  
ACS-18721

Place : New Delhi

Date : May 20, 2015

Sd/-

**Manik Lal Dutta**  
Executive Director  
DIN-00769308

Sd/-

**Bhaskar Roy**  
Executive Director & CFO  
DIN-02805627

# Notes forming part of the consolidated financial statements for the year ended 31 March, 2015

## 1 Corporate information

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

## 2 Basis of Consolidation and significant accounting policies

### 2.1 Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company and its subsidiaries (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention.

### 2.2 Principles of consolidation

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

- (i) The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2015
- (ii) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- (iii) Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

the purpose of providing information to the Parent Company to enable it to prepare the Consolidated Financial Statements of the Group.

The financial statements of above subsidiary have been re-stated in Indian Rupees considering it as integral part of the Group's operations and the resultant exchange gain / loss on conversion has been taken to Statement of Profit and Loss.

### 2.3 Use of estimates

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

### 2.4 Inventories

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

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

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

### 2.6 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of

Name of the entity	Relationship	Country of Incorporation	Ownership held by	% of Holding and voting power	
				At at 31 March, 2015	Date of Investment
Uber Blenders & Distillers Limited	Subsidiary	India	Globus Spirits Limited	100%	16-Feb-15
Globus Trade bay Limited	Subsidiary	Dubai, United Arab Emirates	Globus Spirits Limited	100%	09-Feb-15

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

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

### (vi) Foreign Subsidiaries:

The consolidated financial statements include:-

Globus Trade bay Limited a subsidiary company incorporated outside India, whose financial information is prepared in accordance with Group accounting policies for

non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

### 2.7 Depreciation and amortisation

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



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

## 2.8 Revenue recognition

### Sale of goods

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

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

### Sale of services

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

## 2.9 Other income

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

## 2.10 Fixed Assets (Tangible/Intangible)

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

### Capital work-in-progress:

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

## 2.11 Foreign currency transactions and translations

### Initial recognition

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

### Measurement at the balance sheet date

- (i) Company: Foreign currency monetary items (other than

derivative contracts) of the Company, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

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

### Treatment of exchange differences

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

### Accounting for forward contracts

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

## 2.12 Government grants, subsidies and export incentives

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

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

## 2.13 Investments

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

## 2.14 Employee benefits

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

### Defined contribution plans

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

### Defined benefit plans

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

### Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the

employees render the service. These benefits include performance incentive which is expected to occur within twelve months after the end of the period in which the employee renders the related service.

### 2.15 Borrowing costs

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

### 2.16 Segment reporting

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

### 2.17 Leases

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

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

### 2.18 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares

are determined independently for each period presented.

### 2.19 Taxes on income

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdictions where the entities are located. 'Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognised as an asset in the Consolidated Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the entity.

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

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

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

### 2.20 Impairment of assets

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

of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

## 2.21 Provisions and contingencies

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

## 2.22 Derivative contracts

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

## 2.23 Operating Cycle

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

(` in lacs)

### Note 3 Share capital

Particulars	As at 31 March, 2015	
	Number of shares	Amount
(a) Authorised		
Equity shares of ` 10 each with voting rights	35,000,000	3,500.00
Cumulative compulsorily convertible preference shares (CCCPs) of ` 140 each	5,100,000	7,140.00
	<b>40,100,000</b>	<b>10,640.00</b>
(b) Issued, Subscribed and Paid-up Shares		
Equity shares of ` 10 each with voting rights	28,799,268	2,879.93
	<b>28,799,268</b>	<b>2,879.93</b>

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

Particulars	Opening Balance	Fresh issue/ Conversion (Note-1)	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2015			
- Number of shares	22,997,741	5,801,527	28,799,268
- Amount (` )	2,299.77	580.15	2,879.93
Cumulative compulsorily convertible preference shares (CCCPs)			
Year ended 31 March, 2015			
- Number of shares	5,038,168	(5,038,168)	-
- Amount (` )	7,053.43	(7,053.43)	-

Note-1: During the year, the group has allotted 58,01,527 equity shares pursuant to conversion of 50,38,168 CCCPS and 7,63,359 warrants into equity shares in the ratio of 1:1.

### (ii) Terms/ rights attached to equity shares

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

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

Class of shares / Name of shareholder	As at 31 March, 2015	
	Number of shares held	% holding in that class of shares
Equity shares with voting rights		
Chandbagh Investments Limited	12,130,869	42.12%
Mr. Ajay Kumar Swarup	1,649,820	5.73%
Mr. Anoop Bishnoi	1,619,820	5.62%
SBI Emerging Business Fund	1,844,017	6.40%
Templeton Strategic Emerging Markets Fund IV	5,038,168	17.49%

### (iv) 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:

Particulars	Aggregate number of shares
	As at 31 March, 2015
<b>Equity shares with voting rights</b>	
The Group has issued 3,240,000 shares on 3 October, 2011, pursuant to scheme of amalgamation of Associated Distilleries Limited.	3,240,000

## Notes forming part of the consolidated financial statements

### Note 4 Reserves and surplus

(` in lacs)

Particulars	As at 31 March, 2015
(a) Securities premium account	
Opening balance	7,555.00
Add : Premium on shares issued during the year	7,541.99
Less : Share issue expenses	202.07
Closing balance	<b>14,894.92</b>
(b) General reserve	
Opening balance	1,415.65
Closing balance	<b>1,415.65</b>
(c) Surplus in Statement of Profit and Loss	
Opening balance	16,486.11
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer Note 10)	680.76
Add: Profit for the year	674.01
Less: Interim dividend	
Dividends - preference shareholders	167.52
Tax on dividend	28.47
Closing balance	<b>16,283.37</b>
<b>Total</b>	<b>32,593.94</b>

### Note 5 Long-term borrowings

(` in lacs)

Particulars	As at 31 March, 2015
(a) Term loans	
From banks	
Secured (refer note (i) below)	4,868.56
	<b>4,868.56</b>
(b) Long-term maturities of finance lease obligations (Refer Note 27.1)	
Secured (refer note (ii) below)	127.87
	<b>127.87</b>
<b>Total</b>	<b>4,996.43</b>

### Notes forming part of the consolidated financial statements

#### Notes:

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

(` in lacs)

Particulars	Terms of repayment and Security	As at 31 March, 2015
Term loans from banks:		
HDFC Bank	Secured by first pari passu charge on all movable fixed assets of the Group 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. ` 495.36 lacs repayable in 4 quarterly installment of ` 123.84 lacs each ` 93.75 lacs repayable in 3 quarterly installment of ` 31.25 lacs each	607.67



HSBC Bank	Secured by first pari passu charge on all the fixed assets of the Group 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: Repayable in 6 quarterly installment of ` 125 lacs each ` 100 lacs in 7th quarterly installment.	850.00
Indusind Bank	Secured by first pari passu charge on all the fixed assets of the Group 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. The repayment schedule is as below: Repayable in 16 quarterly installment of ` 125 lacs each starting from May 2015.	2,000.00
Lakshmi Vilas Bank	Secured by first pari passu charge on all the fixed assets of the Group 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. The repayment schedule is as below: Repayable in 20 quarterly installment of ` 150 lacs each starting from July 2015.	3,000.00
Yes Bank	Subservient Charge on entire current assets of the Group and Movable Fixed Assets of the company. Repayable in 6 monthly installment of ` 8.33 lacs each starting from October 2015. Next repayments will be made in 24 monthly installment of ` 18.75 lacs each starting from April 2016.	500.00
	<b>Total</b>	<b>6,957.67</b>
Long-term borrowings		<b>4,868.56</b>
Current Maturities of long term debt		<b>2,089.11</b>

- (ii) Finance lease obligations from Banks of ` 92.73 lacs (previous year ` 111.67 lacs) and from financial institution ` 73.39 lacs (previous year ` 96.52 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.

## Notes forming part of the consolidated financial statements

### Note 6 Provisions

(` in lacs)

Particulars	As at 31 March, 2015	
	Long term	Short-term
(a) Provision for employee benefits:		
(i) Provision for gratuity (Refer Note 24.2)	122.20	32.71
(b) Provision for current tax:	-	135.23
(c) Provision for other contingencies	-	66.14
<b>Total</b>	<b>122.20</b>	<b>234.08</b>

### Note 7 Short-term borrowings

(` in lacs)

Particulars	As at 31 March, 2015
Loans repayable on demand - Secured	
From banks	
Cash credit (refer Note (i))	7,295.50
<b>Total</b>	<b>7,295.50</b>

**Notes:**

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

Particulars	Nature of Security	As at 31 March, 2015
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 Fixed assets of the Group including equitable mortgage of Factory Land & Building at Behror and Samalkha and corporate guarantee of M/s Chandbagh Investments Limited.	379.51
- State Bank of India	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 Fixed assets of the Group including equitable mortgage of Factory Land & Building at Behror and Samalkha.	4,852.31
- Yes Bank	Secured by subservient charge on all the current assets and movable fixed assets of the Group (both present and future).	535.71
Standard Chartered 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 Fixed assets of the Group including equitable mortgage of Factory Land & Building at Behror and Samalkha and corporate guarantee of M/s Chandbagh Investments Limited.	400.50
IndusInd 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 Fixed assets of the Group including equitable mortgage of Factory Land & Building at Behror and Samalkha.	143.17
Lakshmi Vilas 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 Fixed assets of the Group including equitable mortgage of Factory Land & Building at Behror and Samalkha.	984.30
<b>Total</b>		<b>7,295.50</b>

**Note 8 Trade payables** (₹ in lacs)

Particulars	As at 31 March, 2015
Trade payables: Other than Acceptances	7,812.08
<b>Total</b>	<b>7,812.08</b>

**Note 9 Other Current liabilities**

**Notes forming part of the consolidated financial statements** (₹ in lacs)

Particulars	As at 31 March, 2015
(a) Current maturities of long-term debt (Refer Note 5)	2,089.11
(b) Current maturities of finance lease obligations (Refer Note 27.2)	38.25
(c) Interest accrued but not due on borrowings	22.93
(d) Other payables	
(i) Statutory remittances	403.00
(ii) Capital creditors	95.45
(iii) Trade / security deposits	895.69
(iv) Advances from customers	36.13
(v) Subsidy received from Ministry of New and Renewable Energy*	72.00
(vi) Overdrawn Book Balance	87.30
(vii) Others	90.36
<b>Total</b>	<b>3,830.22</b>

\*Out of the total subsidy received from Ministry of New & Renewable Energy of ₹ 120 lacs during the year 2011-12, ₹ 1.2 lacs has been considered as income for the current year assuming the life of the boiler for 10 years.

## Notes forming part of the consolidated financial statements

## Note 10 Fixed assets

(₹ in lacs)

Tangible assets	Gross block			Accumulated Depreciation				Net Block		
	Opening as at 1 April, 2014	Additions	Disposals	Balance as at 31 March, 2015	Opening as at 1 April, 2014	Transition adjustment recorded against Surplus balance in Statement of Profit and Loss (Note-2)	Depreciation for the year	Eliminated on Disposal of assets	As at 31 March, 2015	As at 31 March, 2014
(a) Land										
Freehold land	392.72	1,789.87	-	2,182.59	-	-	-	-	2,182.59	392.72
(Previous year)	(192.05)	(200.67)	-	(392.72)	-	-	-	-	(392.72)	(192.05)
(b) Buildings										
Factory Building	9,180.41	1,423.19	-	10,603.60	805.76	769.95	474.85	-	8,553.04	8,374.65
(Previous year)	(7,319.49)	(1,860.92)	-	(9,180.41)	(577.54)	-	(228.22)	-	(8,374.65)	(6,741.95)
(c) Plant and equipment										
Plant & Machinery	37,035.14	5,201.74	-	42,236.88	7,827.61	6.86	1,577.30	-	32,825.11	29,207.53
(Previous year)	(35,862.74)	(1,172.40)	-	(37,035.14)	(5,409.06)	-	(2,418.55)	-	(29,207.53)	(30,453.68)
(d) Furniture and fixtures										
Furniture and fixtures	215.32	3.99	-	219.31	59.02	39.59	27.23	-	93.47	156.30
(Previous year)	(210.48)	(4.84)	-	(215.32)	(46.59)	-	(12.43)	-	(156.30)	(163.89)
(e) Vehicles										
Owned	14.82	-	-	14.82	12.94	0.96	0.92	-	-	1.88
Taken under finance lease *	605.32	83.63	77.64	611.31	217.67	170.77	53.74	41.76	210.89	387.65
(Previous year)	(523.27)	(190.76)	(93.89)	(620.14)	(234.94)	-	(51.48)	(55.81)	(389.53)	(288.33)
(f) Office equipment										
Office equipment	79.35	3.12	0.15	82.32	31.51	31.66	9.29	-	9.86	47.84
(Previous year)	(74.49)	(4.86)	-	(79.35)	(27.97)	-	(3.54)	-	(47.84)	(46.52)
(g) Computer										
Computer	79.11	7.77	0.10	86.78	59.11	11.52	7.65	-	8.50	20.00
(Previous year)	(72.42)	(6.98)	(0.29)	(79.11)	(50.80)	-	(8.38)	(0.07)	(20.00)	(21.62)
Total										
(Previous year)	47,602.19	8,513.31	77.89	56,037.61	9,013.62	1,031.31	2,150.98	41.76	43,883.46	38,588.57
	(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)

(₹ in lacs)

b.	Intangible assets	Gross block			Accumulated Amortisation				Net Block		
		Opening as at 1 April, 2014	Additions	Disposals	Balance as at 31 March, 2015	Opening as at 1 April, 2014	Transition adjustment recorded against Surplus balance in Statement of Profit and Loss (Note-2)	Depreciation for the year (Note-1)	Eliminated on Disposal of assets	As at 31 March,2015	As at 31 March, 2014
	Internally generated Know-how and new Brand Development (Note-1)	3,794.67	-		3,794.67	908.07		721.65		2,164.95	2,886.60
	<b>Total (Previous year)</b>	<b>3,794.67</b> (3,794.67)	<b>-</b>	<b>-</b>	<b>3,794.67</b> (3,794.67)	<b>908.07</b> (186.42)	<b>-</b>	<b>721.65</b> (721.65)	<b>-</b>	<b>2,164.95</b> (2,886.60)	<b>2,886.60</b> (3,608.25)

## Note:

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

2) Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 1,031.31 lacs (net of deferred tax of ₹ 350.55 lacs) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

## Notes forming part of the consolidated financial statements

### Note 11.a Non-current investments

(` in lacs)

Particulars	As at 31 March, 2015		
	Quoted	Unquoted	Total
<b>Investments (At cost):</b>			
<b>A. Trade</b>			
(a) Investment in equity instruments of Biotech India Limited 24,430 shares of ` 10 each fully paid up	-	2.44	2.44
<b>Total - Trade (A)</b>	-	2.44	2.44
<b>B. Other investments</b>			
(a) Investment in equity instruments of (i) Burroughs Welcome(India) Ltd 100 shares of ` 10 each fully paid up	-	0.18	0.18
(ii) Bank of India 2,900 shares of ` 10 each fully paid up	0.32	-	0.32
(iii) Catvision Products Ltd 2,500 shares of ` 10 each fully paid up	0.22	-	0.22
(iv) Haryana Financial Corporation 24,100 shares of ` 10 each fully paid up	-	8.44	8.44
(b) Investment in mutual funds (i) Kothari Pioneer FMCG Fund-Dividend Payout Plan 1,229.746 Units of ` 10 each	-	0.17	0.17
<b>Total - Other investments (B)</b>	0.54	8.79	9.33
<b>Total (A+B)</b>	0.54	11.23	11.77
Less: Provision for decline, other than temporary, in the carrying value			8.79
<b>Total</b>			2.98
Aggregate amount of quoted investments			0.54
Aggregate market value of listed and quoted investments			5.94
Aggregate amount of unquoted investments (Net)			2.98

### Note 11.b Current investments

(` in lacs)

Particulars	As at 31 March, 2015		
	Quoted	Unquoted	Total
<b>Current investments (At lower of cost and fair value):</b>			
(a) Investment in mutual funds (i) Reliance Money Manager Fund 726.69 (as at March 31, 2014: 683.999) units NAV of ` 7.28 lacs (As at March 31, 2014: 6.85 lacs)	-	7.28	7.28
<b>Total</b>	-	7.28	7.28

## Notes forming part of the consolidated financial statements

### Note 12 Loans and advances

(` in lacs)

Particulars	As at 31 March, 2015	
	Long term	Current
<b>Unsecured, considered good</b>		
(a) Capital advances	1,195.06	-
(b) Security deposits	644.75	179.65
(c) Loans and advances to employees	-	5.44
(d) Prepaid expenses	-	370.55
(e) Advance income tax (net of provisions ` 4,463.19 lacs (As at 31 March, 2014 ` 4,449.92 lacs)	206.08	-
(f) MAT credit entitlement (refer Note 29.2)	1,287.98	-
(g) Balances with government authorities	699.10	170.15
(h) Other loans and advances	402.17	539.46
<b>Total</b>	<b>4,435.14</b>	<b>1,265.25</b>

\*Include ` 252.17 lacs as Advances to tie up units, ` 150 lacs as Advances to brand franchisee, ` 62.03 lacs related to current account of brand franchisee.

### Note 13 Other current assets

(` in lacs)

Particulars	As at 31 March, 2015	
	Long term	Current
(a) Accruals Interest accrued on deposits	-	42.03
(b) Others Balances held as margin money against guarantee	19.20	-
<b>Total</b>	<b>19.20</b>	<b>42.03</b>



**Note 14 Inventories**

(At lower of cost and net realisable value)

(₹ in lacs)

Particulars	As at 31 March, 2015
(a) Raw materials	868.38
(b) Finished goods	3,189.36
(c) Packing material	666.02
(d) Fuel, Stores and spares	281.54
<b>Total</b>	<b>5,005.30</b>

**Note 15 Trade receivables**

(₹ in lacs)

Particulars	As at 31 March, 2015
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	
Unsecured, considered good	129.43
Doubtful	16.51
	145.94
Less: Provision for doubtful trade receivables	16.51
Other Trade receivables	<b>129.43</b>
Unsecured, considered good	3,685.92
	<b>3,685.92</b>
<b>Total</b>	<b>3,815.35</b>

**Notes forming part of the consolidated financial statements****Note 16 Cash and cash equivalents**

(₹ in lacs)

Particulars	As at 31 March, 2015
<b>A. Cash and cash equivalents (as per AS 3 Cash Flow Statements)</b>	
(a) Cash on hand	3.01
(b) Balances with banks	
(i) In current accounts	496.16
(ii) In earmarked accounts	
- Balances held as margin money or security against borrowings, guarantees and other commitments	179.96
(c) Unpaid Dividend Account	1.33
<b>Total</b>	<b>680.46</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	499.17

## Notes forming part of the consolidated financial statements

### Note 17 Revenue from operations

(` in lacs)

Particulars	For the year ended 31 March, 2015
(a) Sale of products (Refer Note (i) below)	87,807.94
(b) Sale of services (Refer Note (ii) below)	539.76
(c) Other operating revenues (Refer Note (iii) below)	118.09
Revenue from operations (Gross)	<b>88,465.79</b>
<u>Less:</u>	
(d) Excise duty	29,827.07
<b>Total</b>	<b>58,638.72</b>

(` in lacs)

Particulars	For the year ended 31 March, 2015
(i) Sale of products comprises:	
- Manufactured goods	
Income from sale of	
Industrial Alcohol	17,961.50
Indian made Indian Liquor (Country Liquor)	27,179.66
Indian made foreign Liquor	1,889.76
Others- Spent grain, Organic Manure	4,419.29
Income from Brand Franchise	36,357.74
<b>Total - Sale of products</b>	<b>87,807.95</b>
(ii) Sale of services comprises:	
Bottling Charges	539.76
<b>Total - Sale of services</b>	<b>539.76</b>
(iii) Other operating revenues comprise:	
Duty drawback and other export incentives	118.09
<b>Total - Other operating revenues</b>	<b>118.09</b>

### Note 18 Other income

(` in lacs)

Particulars	For the year ended 31 March, 2015
(a) Interest income (Refer Note (i) below)	184.29
(b) Dividend income:	
on liquid investment	0.42
(c) Net gain on foreign currency transactions and translation	48.49
(d) Other non-operating income (Refer Note (ii) below)	166.59
<b>Total</b>	<b>399.79</b>

**Notes forming part of the consolidated financial statements**

**Note 18 Other income (Contd.)**

(` in lacs)

	Particulars	For the year ended 31 March, 2015
(i)	Interest income comprises: Interest from banks on deposits Interest on loans and advances	17.48 166.81
	<b>Total - Interest income</b>	<b>184.29</b>
(ii)	Other non-operating income comprises: Excess Provision written back Miscellaneous income	136.16 30.43
	<b>Total - Other non-operating income</b>	<b>166.59</b>

**Note 19.a Cost of materials consumed**

(` in lacs)

	Particulars	For the year ended 31 March, 2015
	Opening stock	988.95
	Add: Purchases	35,674.53
		<b>36,663.48</b>
	Less: Closing stock	1,534.41
	<b>Cost of materials consumed</b>	<b>35,129.07</b>
	Materials consumed comprise: Grain, Color and Essences Packing Material	23,732.08 11,396.99
	<b>Total</b>	<b>35,129.07</b>

**Note 19.b Changes in inventories of finished goods and stock-in-trade**

(` in lacs)

	Particulars	For the year ended 31 March, 2015
	<u>Inventories at the end of the year:</u>	
	Finished goods	3,189.36
	Stock-in-trade	-
		<b>3,189.36</b>
	<u>Inventories at the beginning of the year:</u>	
	Finished goods	3,256.60
	Stock-in-trade	-
		<b>3,256.60</b>
	<b>Net (increase) / decrease</b>	<b>67.24</b>

**Note 20 Employee benefits expense**

(` in lacs)

	Particulars	For the year ended 31 March, 2015
	Salaries and wages	1,372.20
	Contributions to provident funds	32.43
	Gratuity expense (Refer Note 24.2)	27.15
	Staff welfare expenses	24.90
	<b>Total</b>	<b>1,456.68</b>

**Note 21 Finance costs**

(` in lacs)

	Particulars	For the year ended 31 March, 2015
(a)	Interest expense on:	
	(i) Borrowings	1,368.09
	(ii) Others	
	- Interest on delayed payment of income tax	16.51
	- Others : Bank Charges	23.34
	<b>Total</b>	<b>1,407.94</b>

## Notes forming part of the consolidated financial statements

### Note 22 Other expenses

(₹ in lacs)

Particulars	For the year ended 31 March, 2015
Power and fuel	5,664.56
Bottling expenses/fees	3,931.20
Consumption of stores, spare parts and chemicals	1,040.55
Increase /(decrease) of excise duty on inventory	(10.36)
Excise license, establishment and supervision fees	501.88
Security	78.73
Effluent disposal	37.25
Flour and pet coke feeding	188.59
Freight and forwarding	2,200.07
Rent including lease rentals (refer note 27.2)	195.10
Repairs and maintenance - buildings	18.76
Repairs and maintenance - machinery	501.97
Repairs and maintenance - others	95.63
Insurance	54.05
Rates and taxes	22.71
Communication	24.58
Travelling and conveyance	110.24
Printing and stationery	15.65
Business promotion and marketing	260.68
Donations and contributions	2.40
Legal and professional	168.32
Payments to auditors (refer note (i) below)	35.21
Business surplus to franchisee	1,666.88
Subscription, books & periodicals	22.69
Electricity	11.68
Director's sitting fee	2.81
Loss on fixed assets sold / scrapped / written off	18.58
Bad trade receivables, loans and advances written off	117.38
Provision for doubtful trade receivables, loans and advances	16.51
Expenditure on Corporate Social Responsibility	50.00
Brand Development Expenses	16.26
Design Services-New Brand	5.40
Miscellaneous expenses	28.68
<b>Total</b>	<b>17,094.64</b>
(i) Payments to the auditors comprise (excluding service tax):	<b>For the year ended 31 March, 2015</b>
(a) To statutory auditors	
For statutory audit	20.15
For other services	12.55
Reimbursement of expenses	1.26
	<b>33.96</b>
(b) To cost auditors	1.25
<b>Total</b>	<b>35.21</b>



## Notes forming part of the consolidated financial statements

### Note 23 Additional information to the consolidated financial statements

Particulars	
23.1	<b>Contingent liabilities and commitments (to the extent not provided for)</b>
(₹ in lacs)	
	<b>As at 31 March, 2015</b>
(i)	Contingent liabilities
(a)	Claims against the Company not acknowledged as debt
	Excise duty matters
	Income tax matters
	Other matters
(b)	Guarantees
	Guarantees by bank on behalf of Company
(ii)	Commitments
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for
	Tangible assets
	2,909.61

#### 23.2 Details on derivative instruments and unhedged foreign currency exposures:

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

(I) Outstanding forward exchange contracts entered into by the Group as on 31 March, 2015.

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

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

Particulars	Amount in Foreign Currency	Foreign Currency	(₹ In lacs)
Trade receivables	17,200	USD	10.63

## Notes forming part of the consolidated financial statements

### Note 24 Employee benefit plans

	Particulars	
24.1	<b>Defined contribution plans</b> The Group makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised ₹ 32.43 lacs for Provident Fund contributions and ₹ 2.33 lacs for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.	
24.2	<b>Defined benefit plans</b> The Group's defined benefit scheme represents gratuity scheme for its employees: The following table sets out the funded status of the defined benefit scheme and the amount recognised in the financial statements:	
		(₹ in lacs)
	<b>Particulars</b>	<b>Year ended 31 March, 2015</b>
		<b>Gratuity</b>
	<b>Components of employer's expense</b>	
	Current service cost	17.78
	Interest cost	11.25
	Actuarial (gains) / losses	(1.88)
	<b>Total expense recognised in the Consolidated Statement of Profit and Loss</b>	<b>27.16</b>
	<b>Actual benefit payments for the year</b>	<b>4.64</b>
	<b>Net asset / (liability) recognised in the Consolidated Balance Sheet</b>	
	Present value of defined benefit obligation	154.91
	Fair value of plan assets	-
	Funded status [Surplus / (Deficit)]	(154.91)
	Unrecognised past service costs	-
	<b>Net asset / (liability) recognised in the Consolidated Balance Sheet</b>	<b>(154.91)</b>
	<b>Change in defined benefit obligations (DBO) during the year</b>	
	Present value of DBO at beginning of the year	132.39
	Current service cost	17.78
	Interest cost	-
	Actuarial (gains) / losses	(1.88)
	Past service cost	-
	Benefits paid	(4.64)
	Present value of DBO at the end of the year	154.91
	<b>Actuarial assumptions</b>	
	Discount rate	7.75
	Expected return on plan assets	-
	Salary escalation	5%
	Mortality tables	IALM (2006 - 08)
	Estimate of amount of contribution in the immediate next year	32.45
	<b>Experience adjustments*</b>	
		<b>2014- 2015</b>
	<b>Gratuity</b>	
	Present value of DBO	154.91
	Fair value of plan assets	-
	Funded status (Deficit)	(154.91)
	Experience gain / (loss) adjustments on plan liabilities	1.68
	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 Group.	

## Notes forming part of the consolidated financial statements

### Note 25 Segment Reporting

#### Segment information

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

### Note 26 Related party transactions

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

#### 26.2 Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2015:

(` in lacs)

Particulars	Current Year
<b>Remuneration to KMP</b>	
Mr. Ajay Kumar Swarup	62.40
Mr. Shekhar Swarup	30.95
Dr. Bhaskar Roy	37.48
Mr. Manik Lal Dutta	27.56
<b>Rent Paid</b>	
Rajasthan Distilleries Private Limited	49.64
Biotech India Limited	49.64
Associated Distilleries Limited	6.00
<b>Share application money received</b>	
Chandbagh Investments limited	801.53
<b>Shares capital issued</b>	
Chandbagh Investments limited	76.34
<b>Payments made on behalf of</b>	
Globus Trois Freres India Limited	0.08
V C technologies Private Limited	4.21
Northern India Alcohol Sales Private Limited	1.72
Biotech India Limited	16.16
Associated Distilleries Limited	0.19
Globus Spirits (Jharkhand) Limited	9.12
<b>Expenses reimbursed</b>	
V.C Technologies Pvt. Ltd.	4.21
Northern India Alcohol sales Private Limited	1.72
<b>Balances outstanding at the end of the year</b>	
Security Deposit Given- Associated Distilleries Limited	464.94
<b>Other Receivable/(Payable)</b>	
Globus Trois Freres India Limited	0.26
Himalayan Spirits Limited	(0.42)

# Notes forming part of the consolidated financial statements

## Note 27 Details of leasing arrangements

(` in lacs)

	Particulars	For the year ended 31 March, 2015
27.1	<u>As Lessee</u> The Group has entered into finance lease arrangements for certain vehicles, which provide the Company an option to purchase the assets at the end of the lease period. Reconciliation of minimum lease payments Future minimum lease payments not later than one year 53.89 later than one year and not later than five years 137.94 later than five years 20.46 <b>212.29</b> Less: Unmatured finance charges 46.17 Present value of minimum lease payments payable <b>166.12</b> not later than one year 38.25 later than one year and not later than five years 108.38 later than five years 19.49 <b>166.12</b>	
27.2	The Group has entered into operating lease arrangements for certain facilities. The leases are non-cancellable and are for a period of one year and may be renewed further based on mutual agreement of the parties. Future minimum lease payments not later than one year - later than one year and not later than five years - later than five years - Lease payments recognised in the Consolidated Statement of Profit and Loss 193.25	

## Note 28 Earnings per share

(` in lacs)

Particulars	For the year ended 31 March, 2015
<b>Basic</b>	
Profit for the year	674.01
<b>Less:</b> Preference dividend and tax thereon	195.99
Profit for the year attributable to the equity shareholders	<b>478.02</b>
Weighted average number of equity shares (No. of shares)	26,097,187
Par value per share (`)	10
Earnings per share - Basic (`)	1.84
<b>Diluted</b>	
Profit / (loss) for the year	674.01
<b>Less:</b> Preference dividend and tax thereon	195.99
Profit for the year attributable to the equity shareholders	478.02
<b>Add:</b> Savings on warrant	-
Profit attributable to equity shareholders (on dilution)	<b>478.02</b>
Weighted average number of equity shares for Basic EPS (No. of shares)	26,097,187
<b>Add:</b> Effect of Warrants (No. of Warrants)	355,538
Weighted average number of equity shares - for Diluted EPS (No. of shares)	<b>26,452,725</b>
Earnings per share - Diluted (`)	1.81
<b>Add:</b> Preference dividend and tax thereon	195.99
Profit attributable to equity shareholders (on dilution)	<b>674.01</b>
Weighted average number of equity shares for Basic EPS (No. of shares)	26,097,187
<b>Add:</b> Effect of Warrants, and Convertible Preference Share Capital (In Nos.)	2,702,082
Weighted average number of equity shares - for Diluted EPS (No. of shares)	<b>28,799,269</b>
Par value per share (`)	10
Earnings per share - Diluted* (`)	2.34

\*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.



**Notes forming part of the consolidated financial statements**

**Note 29 Deferred tax (liabilities) / assets**

(` in lacs)

	Particulars	As at 31 March, 2015
29.1	<b>Deferred tax (liabilities) / assets</b>	
	Tax effect of items constituting deferred tax liabilities	
	On difference between book balance and tax balance of fixed assets	(5,527.76)
	Tax effect of items constituting deferred tax liabilities	<b>(5,527.76)</b>
	Tax effect of items constituting deferred tax assets	
	Provision for compensated absences, gratuity and other employee benefits	53.61
	Provision for doubtful debts / advances	5.71
	Deferred Tax Assets on loss for the year	778.66
	Bonus Payable	6.43
	Others	3.04
	Tax effect of items constituting deferred tax assets	<b>847.46</b>
	<b>Deferred tax (liabilities) / assets (net)</b>	<b>(4,680.30)</b>
29.2	The Group has recognised deferred tax asset on unabsorbed depreciation and / or brought forward business losses to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.	

**Notes forming part of the consolidated financial statements**

**Note 30 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013**

(` in lacs)

Name of the entity in the Globus Spirits Limited Group	Net assets, i.e., total assets minus total liabilities		Share of profit or (loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent - Globus Spirits Limited	100.09%	35,506.56	105%	706.70
Subsidiaries				
Indian				
Uber Blenders & Distillers Limited	(0.14%)	(51.22)	(8%)	(51.22)
Foreign				
Globus Trade bay Limited	0.05%	18.53	3%	18.53

**Note 31 Previous year's figures**

The Group has prepared its consolidated financial statements for the first time and hence corresponding (comparative) figures for the previous year are not available.

Signature to note 1 to 31

**For and on behalf of the Board of Directors**

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

Sd/-  
**Manik Lal Dutta**  
Executive Director  
DIN-00769308

Sd/-  
**Santosh Kumar Pattanayak**  
Company Secretary  
ACS-18721

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

Place : New Delhi  
Date : May 20, 2015

# Independent Auditors' Report

## Report on the Standalone Financial Statements

To The Members of  
GLOBUS SPIRITS LIMITED

We have audited the accompanying standalone financial statements of **GLOBUS SPIRITS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Basis for Qualified Opinion

*As on March 31, 2015, Fixed Assets include Intangible Assets aggregating to ` 2,164.95 Lacs (March 31, 2014 – ` 2,886.60 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, 2015 would have been lower by ` 2,164.95 Lacs (March 31, 2014 – ` 2,886.60 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 ` 709.00 Lacs and Reserves and Surplus would be lower by ` 1,415.70 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 standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief

were necessary for the purposes of our audit.

- (b) *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.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) *Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 26.1 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

New Delhi, May 20, 2015

## **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 (v) and (x) of paragraph 3 of the Order are not applicable to the Company.

- (i) In respect of the Company's fixed assets:
  - (a) The Company has maintained records showing particulars, including situation of fixed assets, however, with respect to quantitative details the same is in process of being updated. For the assets acquired during the year, such particulars have been maintained.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanation given to us, the Company is in process of reconciling the same with fixed assets register, accordingly discrepancies, if any, has not been identified on such verification.
- (ii) In respect of the Company's inventories:
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals except in case of inventories lying with third parties, where confirmations has been obtained from third parties in respect of such inventories.
  - (b) In our opinion and according to the information and explanation 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.
  - (c) 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.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of such loans:
  - (a) The Company has granted loan amounting to ` 31.14 lacs to a wholly owned subsidiary during the year. At the year-end, the outstanding balances of such loans granted was ` 31.14 lacs and the maximum amount involved during the year was ` 31.14 lacs.
  - (b) According to the information and explanation given to us, the above loans are receivable on demand, which as informed to us, have not been recalled by the Company. Accordingly para 3(iii)(b) of the Order is not applicable.
- (iv) 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 and the weakness is a continuing failure to correct major weaknesses in such internal control system.

- (v) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vi) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax and Excise Duty which have not been deposited as at March 31, 2015 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	Appellate authority upto Commissioners' level	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.

There were no dues of Sales Tax, Wealth Tax, Service Tax, Customs Duty, Value Added Tax and Cess which have not been deposited as at March 31, 2015 on account of disputes.

(d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.

(vii) After considering the effect of our audit qualification reported in the Basis of Qualified Opinion of our Audit Report, The Company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution; however, during the year there are delays in repayment of dues to banks for a maximum period of 22 days with a maximum amount involved was ₹ 5,079,961. There was no

defaults at the year end. The Company has not issued any debentures.

(ix) 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.

(x) To the best of our knowledge and belief 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  
(Firm Registration No. 015125N)

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

New Delhi, May 20, 2015



# Standalone Balance Sheet as at 31 March, 2015

(` in lacs)

	Particulars	Note No.	As at 31 March, 2015	As at 31 March, 2014
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	3	2,879.93	9,353.20
	(b) Reserves and surplus	4	32,626.63	25,456.76
	(c) Money received against share warrants	3	-	267.17
			<b>35,506.56</b>	<b>35,077.13</b>
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	5	4,996.43	2,042.03
	(b) Deferred tax liabilities (net)	31	4,680.31	4,937.41
	(c) Long-term provisions	6	122.20	107.95
			<b>9,798.94</b>	<b>7,087.39</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	7	7,295.50	6,765.93
	(b) Trade payables	8	7,811.22	7,915.58
	(c) Other current liabilities	9	3,832.04	2,702.01
	(d) Short-term provisions	10	220.64	120.25
			<b>19,159.40</b>	<b>17,503.77</b>
	<b>TOTAL</b>		<b>64,464.90</b>	<b>59,668.29</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	11.a	43,883.46	38,588.57
	(ii) Intangible assets	11.b	2,164.95	2,886.60
	(iii) Capital work-in-progress		3,123.30	2,895.81
			<b>49,171.71</b>	<b>44,370.98</b>
	(b) Non-current investments	12.a	9.67	2.98
	(c) Long-term loans and advances	13	4,435.14	3,767.00
	(d) Other non current assets	14	19.20	-
			<b>4,464.01</b>	<b>3,769.98</b>
<b>2</b>	<b>Current assets</b>			
	(a) Current investments	12.b	7.28	6.85
	(b) Inventories	15	5,005.30	4,552.38
	(c) Trade receivables	16	3,815.35	4,729.66
	(d) Cash and cash equivalents	17	643.17	637.70
	(e) Short-term loans and advances	18	1,316.05	1,573.74
	(f) Other current assets	19	42.03	27.00
			<b>10,829.18</b>	<b>11,527.33</b>
	<b>TOTAL</b>		<b>64,464.90</b>	<b>59,668.29</b>
	<b>See accompanying notes forming part of the standalone financial statements</b>	1 to 32		

In terms of our report attached.

For and on behalf of the Board of Directors

Sd/-

**Ajay K. Swarup**  
Managing Director  
DIN-00035194

Sd/-

**Manik Lal Dutta**  
Executive Director  
DIN-00769308

**For Deloitte Haskins & Sells**  
Chartered Accountants

Sd/-

**Vijay Agarwal**  
Partner  
Membership No. 094468

Sd/-

**Santosh Kumar Pattanayak**  
Company Secretary  
ACS-18721

Sd/-

**Bhaskar Roy**  
Executive Director & CFO  
DIN-02805627

Place : New Delhi  
Date : May 20, 2015

Place : New Delhi  
Date : May 20, 2015

# Standalone

## Statement of Profit and Loss

for the year ended 31 March, 2015

(` in lacs)

	Particulars	Note No.	For the year ended 31 March, 2015	For the year ended 31 March, 2014
1	Revenue from operations (gross)	20	88,394.44	66,202.40
	Less: Excise duty	20	29,827.07	16,552.42
	<b>Revenue from operations (net)</b>		<b>58,567.37</b>	<b>49,649.98</b>
2	Other income	21	435.62	289.78
3	<b>Total revenue (1+2)</b>		<b>59,002.99</b>	<b>49,939.76</b>
4	<b>Expenses</b>			
	(a) Cost of materials consumed	22.a	35,129.07	32,293.86
	(b) Changes in inventories of finished goods and work-in-progress	22.b	67.24	(1,464.81)
	(c) Employee benefits expense	23	1,430.68	1,213.62
	(d) Finance costs	24	1,406.71	1,015.66
	(e) Depreciation and amortisation expense	11	2,872.63	2,847.90
	(f) Other expenses	25	17,067.10	13,110.07
	<b>Total expenses</b>		<b>57,973.43</b>	<b>49,016.30</b>
5	<b>Profit before exceptional items and tax (3 - 4)</b>		<b>1,029.56</b>	<b>923.46</b>
6	Exceptional items		-	596.35
7	<b>Profit before tax (5 + 6)</b>		<b>1,029.56</b>	<b>327.11</b>
8	<b>Tax expense / (benefit):</b>			
	(a) Current tax expense		212.53	92.03
	(b) (Less): MAT credit (Relating to current year)		-	(92.03)
	(c) Short provision for tax relating to prior years		16.90	-
	(d) Net current tax expense		229.43	-
	(e) (Less): MAT credit relating to previous year		-	(1,195.95)
	(f) Deferred tax		93.43	1,095.42
	<b>Net tax expense / (benefit)</b>		<b>322.86</b>	<b>(100.53)</b>
9	<b>Profit from operations (9 + 10)</b>		<b>706.70</b>	<b>427.64</b>
10	<b>Earnings per share (of ` 10/- each):</b>			
	(a) Basic	30	1.96	0.16
	(b) Diluted	30	1.93	0.15
	<b>See accompanying notes forming part of the standalone financial statements</b>	1 to 32		

In terms of our report attached.

### For and on behalf of the Board of Directors

Sd/-

**Ajay K. Swarup**  
Managing Director  
DIN-00035194

Sd/-

**Manik Lal Dutta**  
Executive Director  
DIN-00769308

**For Deloitte Haskins & Sells**  
Chartered Accountants

Sd/-

**Vijay Agarwal**  
Partner  
Membership No. 094468

Sd/-

**Santosh Kumar Pattanayak**  
Company Secretary  
ACS-18721

Sd/-

**Bhaskar Roy**  
Executive Director & CFO  
DIN-02805627

Place : New Delhi  
Date : May 20, 2015

Place : New Delhi  
Date : May 20, 2015

# Standalone Cash Flow Statement

## for the year ended 31 March, 2015

(` in lacs)

Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
<b>A. Cash flow from operating activities</b>				
Profit before tax		1,029.56		327.11
<i>Adjustments for:</i>				
Depreciation and amortisation expense	2,872.63		2,847.90	
Exceptional Items-Depreciation	-		596.35	
Loss on sale of assets	18.58		13.81	
Finance costs	1,406.71		1,015.66	
Interest income	(184.29)		(36.32)	
Dividend income	(0.42)		(0.89)	
Other Income	(30.43)		(72.46)	
Liabilities / provisions no longer required written back	(136.16)		(156.02)	
Adjustments to the carrying amount of investments	-		8.78	
Bad trade and other receivables, loans and advances written off	117.38		76.81	
Provision for doubtful trade and other receivables, loans and advances	16.51	4,080.51	130.12	4,423.75
Operating profit / (loss) before working capital changes		5,110.07		4,750.85
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	(452.92)		(1,090.15)	
Trade receivables	780.41		1,374.32	
Short-term loans and advances	257.69		(859.50)	
Long-term loans and advances	(175.16)		73.14	
Other current assets	-		15.07	
Other non-current assets	(19.20)		-	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(104.36)		(3.67)	
Other current liabilities	779.51		(340.09)	
Short-term provisions	(89.03)		2.59	
Long-term provisions	14.25	991.19	(6.50)	(834.79)
Cash generated from operations		6,101.26		3,916.07
Net income tax (paid)		(40.00)		(524.11)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>6,061.26</b>		<b>3,391.95</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(9,716.15)		(5,957.11)	
Purchase of long-term investments - Subsidiaries	(6.69)			
Proceeds from sale of fixed assets	17.55		24.48	
Interest income	169.26		36.32	
Other Income	30.43		72.46	
Bank balances not considered as Cash and cash equivalents-Matured	5.79	(9,499.81)	1.89	(5,821.97)
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(9,499.81)</b>		<b>(5,821.97)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of share warrants	801.52			
Proceeds from long-term borrowings	5,500.00		148.00	
Repayment of long-term borrowings	(1,801.52)		(1,390.90)	
Proceeds from other short-term borrowings	1,527.97		4,060.06	
Repayment of other short-term borrowings	(998.40)		(1,163.28)	
Finance costs	(1,383.77)		(1,015.66)	
Dividends paid	(167.52)		(612.77)	
Tax on dividend	(28.47)	3,449.81	(71.98)	(46.53)
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>3,449.81</b>		<b>(46.53)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>11.26</b>		<b>(2,476.55)</b>
Cash and cash equivalents at the beginning of the year		450.62		2,927.17
Cash and cash equivalents at the end of the year		461.88		450.62
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)		461.88		450.62
included in Note 17				
<b>See accompanying notes forming part of the standalone financial statements</b>	1 to 32			

In terms of our report attached.

For and on behalf of the Board of Directors

Sd/-

**Ajay K. Swarup**  
Managing Director  
DIN-00035194

Sd/-

**Manik Lal Dutta**  
Executive Director  
DIN-00769308

Sd/-

**Santosh Kumar Pattanayak**  
Company Secretary  
ACS-18721

Sd/-

**Bhaskar Roy**  
Executive Director & CFO  
DIN-02805627

**For Deloitte Haskins & Sells**  
Chartered Accountants

Sd/-  
**Vijay Agarwal**  
Partner  
Membership No. 094468

Place : New Delhi  
Date : May 20, 2015

Place : New Delhi  
Date : May 20, 2015

# Notes forming part of the standalone financial statements for the year ended 31 March, 2015

## 1 Corporate information

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

## 2 Significant accounting policies

### 2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

### 2.2 Use of estimates

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

### 2.3 Inventories

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

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

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

### 2.5 Cash flow statement

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

### 2.6 Depreciation and amortisation

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

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

### 2.7 Revenue recognition

#### Sale of goods

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

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

#### Sale of services

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

### 2.8 Other income

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



## 2.9 Fixed Assets (Tangible/Intangible)

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

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

### 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 charged to the statement of profit and loss. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

## 2.11 Government grants, subsidies and export incentives

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

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

## 2.12 Investments

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

## 2.13 Employee benefits

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

### Defined contribution plans

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

### Defined benefit plans

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

### Short-term employee benefits

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

## 2.14 Borrowing costs

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

charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

### 2.15 Segment reporting

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

### 2.16 Leases

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

### 2.17 Earnings per share

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

### 2.18 Taxes on income

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

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

### 2.19 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

- (a) an intangible asset that is not yet available for use; and (b)
- an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by

discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

## 2.20 Provisions and contingencies

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

## 2.21 Derivative contracts

The Company enters into derivative contracts in the nature

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

## 2.22 Share issue expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013.

## 2.23 Operating Cycle

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

## Note 3 Share capital

(` in lacs)

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised				
Equity shares of ` 10 each with voting rights	35,000,000	3,500.00	35,000,000	3,500.00
Cumulative compulsorily convertible preference shares (CCCPS) of ` 140 each	5,100,000	7,140.00	5,100,000	7,140.00
	<b>40,100,000</b>	<b>10,640.00</b>	<b>40,100,000</b>	<b>10,640.00</b>
(b) Issued, Subscribed and Paid-up Shares				
Equity shares of ` 10 each with voting rights	28,799,268	2,879.93	22,997,741	2,299.77
Cumulative compulsorily convertible preference shares (CCCPS) of ` 140 each	-	-	5,038,168	7,053.43
<b>Total</b>	<b>28,799,268</b>	<b>2,879.93</b>	<b>28,035,909</b>	<b>9,353.20</b>

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

Particulars	Opening Balance	Fresh issue/ (Conversion)	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2015			
- Number of shares	22,997,741	5,801,527	28,799,268
- Amount (`)	2,299.77	580.16	2,879.93
Year ended 31 March, 2014			
- Number of shares	22,997,741	-	22,997,741
- Amount (`)	2,299.77	-	2,299.77
Cumulative compulsorily convertible preference shares (CCCPS)			
Year ended 31 March, 2015			
- Number of shares	5,038,168	(5,038,168)	-
- Amount (`)	7,053.43	(7,053.43)	-
Year ended 31 March, 2014			
- Number of shares	5,038,168	-	5,038,168
- Amount (`)	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) Conversion of cumulative compulsorily convertible preference shares (CCCPS) into equity shares**

5,038,168, 4.75% CCCPS of ₹ 140 each allotted to Templeton Strategic Emerging Markets Fund IV, has been converted into equity shares of the face value of ₹ 10 each at a premium of ₹ 130 each on 18 September, 2014 and accordingly 5,038,168 equity shares of ₹ 10/- each has been allotted to Templeton Strategic Emerging Markets Fund IV.

**(iv) Conversion of Warrant in to equity shares**

763,359 Warrants allotted to M/s Chandbagh Investments Limited on 19 March, 2013 at an issue price of ₹ 140 per warrant, were converted to equity shares of face value of ₹ 10 each at a premium of ₹ 130 each on 18 September, 2014 and accordingly 763,359 equity shares has been allotted to M/s Chandbagh Investments Limited.

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

Class of shares / Name of shareholder	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
Chandbagh Investments Limited	12,130,869	42.12%	11,367,510	49.43%
Mr. Ajay Kumar Swarup	1,649,820	5.73%	1,649,820	7.17%
Mr. Anoop Bishnoi	1,619,820	5.62%	1,619,820	7.04%
SBI Emerging Business Fund	1,844,017	6.40%	1,740,025	7.57%
Templeton Strategic Emerging Markets Fund IV	5,038,168	17.49%	-	-
Cumulative compulsorily convertible preference shares (CCCPS)				
Templeton Strategic Emerging Markets Fund IV	-	-	5,038,168	100%

**(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:**

Particulars	Aggregate number of shares	
	As at 31 March, 2015	As at 31 March, 2014
<b>Equity shares with voting rights</b>		
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, 2015	As at 31 March, 2014
(a) Securities premium account		
Opening balance	7,555.00	7,555.00
Add : Premium on shares issued during the year	7,541.99	-
Less : Share issue expenses	202.07	-
Closing balance	<b>14,894.92</b>	<b>7,555.00</b>
(b) General reserve		
Opening balance	1,415.65	1,415.65
Closing balance	<b>1,415.65</b>	<b>1,415.65</b>
(c) Surplus in Statement of Profit and Loss		
Opening balance	16,486.11	16,437.56
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer Note 11)	680.76	-
Add: Profit for the year	706.70	427.64
Less: Interim dividend		
Dividends preference shareholders (CCCPS)	167.52	324.02
Tax on dividend	28.47	55.07
Closing balance	<b>16,316.06</b>	<b>16,486.11</b>
<b>Total</b>	<b>32,626.63</b>	<b>25,456.76</b>

**Note 5 Long-term borrowings**

(₹ in lacs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Term loans		
From banks		
Secured (refer note (i) below)	4,868.56	1,857.67
	<b>4,868.56</b>	<b>1,857.67</b>
(b) Long-term maturities of finance lease obligations (Refer Note 29.1)		
Secured (refer note (ii) below)	127.87	166.70
	<b>127.87</b>	<b>166.70</b>
(c) Other loans and advances		
Unsecured	-	17.66
	-	17.66
<b>Total</b>	<b>4,996.43</b>	<b>2,042.03</b>



**Notes:**

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

Particulars	Terms of repayment and Security	As at 31 March, 2015	As at 31 March, 2014
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. ` 495.36 lacs repayable in 4 quarterly installment of ` 123.84 lacs each ` 93.75 lacs repayable in 3 quarterly installment of ` 31.25 lacs each	607.67	1,249.46
HSBC Bank	Secured by first pari passu charge on all the fixed assets of the Company including equitable mortgage of factory land and 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: Repayable in 6 quarterly installment of ` 125 lacs each ` 100 lacs in 7th quarterly installment.	850.00	1,950.00
Indusind Bank	Secured by first pari passu charge on all the fixed assets of the Company including equitable mortgage of factory land and 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. The repayment schedule is as below: Repayable in 16 quarterly installment of ` 125 lacs each starting from May 2015.	2,000.00	-
Lakshmi Vilas Bank	Secured by first pari passu charge on all the fixed assets of the Company including equitable mortgage of factory land and 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. The repayment schedule is as below: Repayable in 20 quarterly installment of ` 150 lacs each starting from July 2015.	3,000.00	-
Yes Bank	Subservient Charge on entire current assets of the Company and Movable Fixed Assets of the company. Repayable in 6 monthly installment of ` 8.33 lacs each starting from October 2015. Next repayments will be made in 24 monthly installment of ` 18.75 lacs each starting from April 2016.	500.00	-
<b>Total</b>		<b>6,957.67</b>	<b>3,199.46</b>
Long-term borrowings		<b>4,868.56</b>	<b>1,857.67</b>
Current Maturities of long term debt		<b>2,089.11</b>	<b>1,341.79</b>

(ii) Finance lease obligations from Banks of ` 92.73 lacs (previous year ` 111.67 lacs) and from financial institution ` 73.39 lacs (previous year ` 96.52 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.

**Note 6 Long-term provisions**

(` in lacs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Provision for employee benefits:		
(i) Provision for gratuity (net) (Refer Note 27.2)	122.20	107.95
<b>Total</b>	<b>122.20</b>	<b>107.95</b>

**Note 7 Short-term borrowings**

(` in lacs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Loans repayable on demand- Secured		
From banks		
Cash Credit (refer Note (i))	7,295.50	6,765.93
<b>Total</b>	<b>7,295.50</b>	<b>6,765.93</b>

**Notes:**

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

Particulars	Nature of Security	As at 31 March, 2015	As at 31 March, 2014
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 Fixed assets of the Company including equitable mortgage of Factory Land & Building at Behror and Samalkha and corporate guarantee of M/s Chandbagh Investments Limited.	379.51	367.21

- State Bank of India	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 Fixed assets of the Company including equitable mortgage of Factory Land & Building at Behror and Samalkha.	4,852.31	4,938.10
- Yes Bank	Secured by subservient charge on all the current assets and movable fixed assets of the Company (both present and future).	535.71	1,460.62
- Standard Chartered 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 Fixed assets of the Company including equitable mortgage of Factory Land & Building at Behror and Samalkha and corporate guarantee of M/s Chandbagh Investments Limited.	400.50	-
- Indusind 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 Fixed assets of the Company including equitable mortgage of Factory Land & Building at Behror and Samalkha.	143.17	-
- Lakshmi Vilas 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 Fixed assets of the Company including equitable mortgage of Factory Land & Building at Behror and Samalkha.	984.30	-
<b>Total</b>		<b>7,295.50</b>	<b>6,765.93</b>

#### Note 8 Trade payables

(` in lacs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
Trade payables: Other than Acceptances (Refer Note 26.2)	7,811.22	7,915.58
<b>Total</b>	<b>7,811.22</b>	<b>7,915.58</b>

#### Note 9 Other current liabilities

(` in lacs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Current maturities of long-term debt (Refer Note 5)	2,089.11	1,341.79
(b) Current maturities of finance lease obligations (Refer Note 29.1)	38.25	41.49
(c) Interest accrued but not due on borrowings	22.93	-
(d) Other payables		
(i) Statutory remittances	398.76	197.36
(ii) Payables on purchase of fixed assets	95.45	375.77
(iii) Subsidy received from Ministry of New and Renewable Energy*	72.00	84.00
(iv) Trade / security deposits	895.69	385.37
(v) Advances from customers	42.19	117.03
(vi) Overdrawn Book Balance	87.30	145.63
(vii) Others	90.36	13.56
<b>Total</b>	<b>3,832.04</b>	<b>2,702.01</b>

\*Out of the total subsidy received from Ministry of New & Renewable Energy of ` 120 lacs during the year 2011-12, ` 1.2 lacs has been considered as income for the current year assuming the life of the boiler for 10 years.

#### Note 10 Short-term provisions

(` in lacs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Provision for employee benefits:		
(i) Provision for gratuity (net) (Refer Note 27.2)	32.71	24.44
(b) Provision - Others:	<b>32.71</b>	<b>24.44</b>
(i) Provision for tax on proposed dividends	-	29.67
(ii) Provision - for current tax	121.79	-
(iii) Provision - other contingencies	66.14	66.14
<b>Total</b>	<b>220.64</b>	<b>120.25</b>

**Note 11 Fixed assets**

(₹ in lacs)

a.	Tangible assets	Gross block			Accumulated Depreciation				Net Block		
		Opening as at 1 April, 2014	Additions	Disposals	Balance as at 31 March, 2015	Opening as at 1 April, 2014	Transition adjustment recorded against Surplus balance in Statement of Profit and Loss (Note-2)	Depreciation for the year	Eliminated on Disposal of assets	As at 31 March, 2015	As at 31 March, 2014
	(a) Land Freehold land (Previous year)	392.72 (192.05)	1,789.87 (200.67)	-	2,182.59 (392.72)	-	-	-	-	2,182.59 (392.72)	392.72 (192.05)
	(b) Buildings Factory Building (Previous year)	9,180.41 (7,319.49)	1,423.19 (1,860.92)	-	10,603.60 (9,180.41)	805.76 (577.54)	769.95 -	474.85 (228.22)	-	2,050.56 (805.76)	8,553.04 (8,374.65)
	(c) Plant and equipment Plant & Machinery (Previous year)	35,862.74 (35,035.14)	5,201.74 (1,172.40)	-	42,236.88 (37,035.14)	7,827.61 (5,409.06)	6.86 -	1,577.30 (2418.55)	-	9,411.77 (7827.61)	32,825.11 (29,207.53)
	(d) Furniture and fixtures Furniture and fixtures (Previous year)	215.32 (210.48)	3.99 (4.84)	-	219.31 (215.32)	59.02 (46.59)	39.59 -	27.23 (12.43)	-	125.84 (59.02)	93.47 (156.30)
	(e) Vehicles Owned Taken under finance lease* (Previous year)	14.82 605.32 620.14 (523.27)	- 83.63 83.63 (190.76)	77.64 77.64 (93.89)	14.82 611.31 626.13 (620.14)	12.94 217.67 230.61 (234.94)	0.96 170.77 171.73 -	0.92 53.74 54.66 (51.48)	- 41.76 41.76 (55.81)	14.82 400.42 415.24 (230.61)	- 210.89 210.89 (389.53)
	(f) Office equipment Office equipment (Previous year)	79.35 (74.49)	3.12 (4.86)	0.15 -	82.32 (79.35)	31.51 (27.97)	31.66 -	9.29 (3.54)	-	72.46 (31.51)	9.86 (47.84)
	(g) Computer Computer (Previous year)	79.11 (72.42)	7.77 (6.98)	0.10 (0.29)	86.78 (79.11)	59.11 (50.80)	11.52 -	7.65 (8.38)	- (0.07)	78.28 (59.11)	8.50 (20.00)
	Total (Previous year)	47,602.19 (44,254.94)	8,513.31 (3,441.43)	77.89 (94.18)	56,037.61 (47,602.19)	9,013.62 (6,346.90)	1,031.31 -	2,150.98 (2,722.60)	41.76 (55.88)	12,154.15 (9,013.62)	43,883.46 (38,588.57)
											38,588.57 (37,908.04)

(₹ in lacs)

b.	Intangible assets	Gross block			Accumulated Amortisation				Net Block		
		Opening as at 1 April, 2014	Additions	Disposals	Balance as at 31 March, 2015	Opening as at 1 April, 2014	Transition adjustment recorded against Surplus balance in Statement of Profit and Loss (Note-2)	Amortisation for the year (Note-1)	Eliminated on Disposal of assets	As at 31 March, 2015	As at 31 March, 2014
	Internally generated Know-how and new Brand Development (Note-1)	3,794.67	-		3,794.67	908.07		721.65		1,629.72	2,164.95
	<b>Total (Previous year)</b>	<b>3,794.67</b> (3,794.67)	<b>-</b>	<b>-</b>	<b>3,794.67</b> 3,794.67	<b>908.07</b> (189.42)	<b>-</b> -	<b>721.65</b> (721.65)	<b>-</b> -	<b>1,629.72</b> (908.07)	<b>2,164.95</b> (2,886.60)
											2,886.60

**Note:**

- 1) Intangible assets - During the current period the expenses incurred on brand promotion were expensed off, however, up to 31/03/2013 the same were being capitalised since the brands were under establishment during that period. Further, during the year, an amount of ₹ 721.65 Lacs has been debited to Statement of Profit and Loss to amortise these assets over 5 years.
- 2) Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 1,031.31 lacs (net of deferred tax of ₹ 350.55 lacs) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

**Note 12.a Non-current investments**

(₹ in lacs)

Particulars	As at 31 March, 2015			As at 31 March, 2014		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
<b>Investments (At cost):</b>						
<b>A. Trade</b>						
(a) Investment in equity instruments of						
Biotech India Limited	-	2.44	2.44	-	2.44	2.44
24,430 (As at 31 March, 2014: 24,430) shares of ₹ 10 each fully paid up	-	1.69	1.69	-	-	-
Globus Trade Bay Limited	-	5.00	5.00	-	-	-
10 shares of AED 1,000 each fully paid up	-			-		
Uber Blenders & Distillers Limited	-			-		
50,000 shares of ₹ 10 each fully paid up	-			-		
<b>Total - Trade investments (A)</b>	-	9.13	9.13	-	2.44	2.44
<b>B. Other investments</b>						
(a) Investment in equity instruments of						
(i) Burroughs Welcome (India) Limited	-	0.18	0.18	-	0.18	0.18
100 (As at 31 March, 2014: 100) shares of ₹ 10 each fully paid up	0.32	-	0.32	0.32	-	0.32
(ii) Bank of India	0.22	-	0.22	0.22	-	0.22
2,900 (As at 31 March, 2014: 2,900) shares of ₹ 10 each fully paid up	-	8.44	8.44	-	8.44	8.44
(iii) Catvision Limited	-			-		
2,500 (As at 31 March, 2014: 2,500) shares of ₹ 10 each fully paid up	-			-		
(iv) Haryana Financial Corporation	-			-		
24,100 (As at 31 March, 2014: 24,100) shares of ₹ 10 each fully paid up	-			-		
(b) Investment in mutual fund						
(i) Kothari Pioneer FMCG Fund-Dividend Payout Plan	-	0.17	0.17	-	0.17	0.17
1,229.746 (As at 31 March, 2014: 1,229.746) Units of ₹ 10 each						
<b>Total - Other investments (B)</b>	0.54	8.79	9.33	0.54	8.79	9.33
<b>Total (A+B)</b>	<b>0.54</b>	<b>17.92</b>	<b>18.46</b>	<b>0.54</b>	<b>11.23</b>	<b>11.77</b>
Less: Provision for decline, other than temporary, in the carrying value			<b>8.79</b>			<b>8.79</b>
<b>Total</b>			<b>9.67</b>			<b>2.98</b>
Aggregate amount of quoted investments			0.54			0.54
Aggregate market value of listed and quoted investments			5.94			6.89
Aggregate amount of unquoted investments (Net)			9.67			2.98

**Note 12.b Current investments**

(₹ in lacs)

Particulars	As at 31 March, 2015			As at 31 March, 2014		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
<b>Current investments (At lower of cost and fair value):</b>						
(a) Investment in mutual funds						
(i) Reliance Money Manager Fund	-	7.28	7.28	-	6.85	6.85
726.69 (as at March 31, 2014: 683.999) units NAV of ₹ 7.28 lac (As at March 31, 2014: 6.85 lacs)	-			-		
	-	<b>7.28</b>	<b>7.28</b>	-	<b>6.85</b>	<b>6.85</b>

**Note 13 Long-term loans and advances**

(₹ in lacs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Capital advances		
Unsecured, considered good	1,195.06	702.08
Doubtful	-	12.38
	1,195.06	714.46
Less: Provision for doubtful advances	-	12.38
	<b>1,195.06</b>	<b>702.08</b>
(b) Security deposits		
Unsecured, considered good	644.75	617.38
(c) Loans and advances to related parties (Refer Note 28.2)	31.14	-
(d) Prepaid expenses	-	13.11
(e) Advance income tax (net of provisions ₹ 4,463.19 lacs (As at 31 March, 2014 ₹ 4,449.92 lacs) -Unsecured, considered good	206.08	147.36
(f) MAT credit entitlement - Unsecured, considered good	1,287.98	1,287.98
(g) Balances with government authorities	699.10	565.22
(h) Other loans and advances		
Unsecured, considered good*	371.03	433.87
<b>Total</b>	<b>4,435.14</b>	<b>3,767.00</b>

\*Include ₹ 252.17 Lac (previous year ₹ 283.88 lac) as Advances to tie up units, ₹ 150 lac (previous year ₹ 150 lac) as Advances to brand franchisee, ₹ 62.03 lac (previous year ₹ 179.01 lac) related to current account of brand franchisee.



**Note 14 Other non-current assets**

(₹ in lacs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Others		
(i) Balances held as margin money against guarantee	19.20	-
<b>Total</b>	<b>19.20</b>	<b>-</b>

**Note 15 Inventories**

(At lower of cost and net realisable value)

(₹ in lacs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Raw materials	868.38	422.65
(b) Finished goods	3,189.36	3,256.60
(c) Packing material	666.02	566.30
(d) Fuel, Stores and spares	281.54	306.83
<b>Total</b>	<b>5,005.30</b>	<b>4,552.38</b>

**Note 16 Trade receivables**

(₹ in lacs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	129.43	1,437.27
Doubtful	16.51	58.14
	145.94	1,495.41
Less: Provision for doubtful trade receivables	16.51	58.14
	<b>129.43</b>	<b>1,437.27</b>
Other Trade receivables		
Unsecured, considered good	3,685.92	3,292.40
	<b>3,685.92</b>	<b>3,292.40</b>
<b>Total</b>	<b>3,815.35</b>	<b>4,729.67</b>

**Note 17 Cash and cash equivalents**

(₹ in lacs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Cash on hand	2.86	4.64
(b) Balances with banks		
(i) In current accounts	459.02	445.98
(ii) In earmarked accounts		
- Balances held as margin money or security against borrowings, guarantees and other commitments	179.96	185.32
(c) Unpaid Dividend Account	1.33	1.76
<b>Total</b>	<b>643.17</b>	<b>637.70</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 <i>Cash Flow Statements</i> is	461.88	450.62

**Note 18 Short-term loans and advances**

(₹ in lacs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Security deposits		
Unsecured, considered good	178.73	88.10
(b) Loans and advances to employees		
Unsecured, considered good	5.44	79.12
(c) Prepaid expenses - Unsecured, considered good	370.55	229.49
(d) Balances with government authorities - Unsecured, considered good	170.15	308.78
(e) Others		
Unsecured, considered good*	591.18	868.25
Doubtful	-	59.60
	591.18	927.84
Less: Provision for other doubtful loans and advances	-	59.60
	591.18	868.25
<b>Total</b>	<b>1,316.05</b>	<b>1,573.74</b>

\*Include ₹ 62.03 lac (previous year ₹ 179.01 lac) related to current account of brand franchisee.

**Note 19 Other current assets**

(₹ in lacs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Accruals		
(i) Interest accrued on deposits	42.03	27.00
<b>Total</b>	<b>42.03</b>	<b>27.00</b>

**Note 20 Revenue from operations**

(₹ in lacs)

	Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(a)	Sale of products (Refer Note (i) below)	87,736.59	65,740.50
(b)	Sale of services (Refer Note (ii) below)	539.76	420.63
(c)	Other operating revenues (Refer Note (iii) below)	118.09	41.27
	Revenue from operations (Gross)	<b>88,394.44</b>	<b>66,202.40</b>
	<b>Less:</b>		
(d)	Excise duty	29,827.07	16,552.42
	<b>Total</b>	<b>58,567.37</b>	<b>49,649.98</b>

Note	Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(i)	Sale of products comprises:		
	Income from sale of		
	Industrial Alcohol	17,890.14	16,228.88
	Indian Made Indian Liquor ( Country Liquor )	27,179.66	24,572.51
	Indian Made Foreign Liquor	1,889.76	1,080.13
	Others- Spent Grain, CO2, DDGS	4,419.29	4,674.00
	Income From Brand Franchise	36,357.74	19,184.99
	<b>Total - Sale of products</b>	<b>87,736.59</b>	<b>65,740.51</b>
(ii)	Sale of services comprises :		
	Bottling Charges	539.76	420.63
	<b>Total - Sale of services</b>	<b>539.76</b>	<b>420.63</b>
(iii)	Other operating revenues comprise:		
	Duty drawback and other export incentives	118.09	41.27
	<b>Total - Other operating revenues</b>	<b>118.09</b>	<b>41.27</b>

**Note 21 Other income**

(₹ in lacs)

	Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(a)	Interest income (Refer Note (i) below)	184.29	36.32
(b)	Dividend income:		
	On long term investments	-	0.44
	On liquid investment	0.42	0.45
(c)	Net gain on foreign currency transactions and translation	84.32	24.09
(d)	Other non-operating income (Refer Note (ii) below)	166.59	228.48
	<b>Total</b>	<b>435.62</b>	<b>289.78</b>

	Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(i)	Interest income comprises:		
	Interest from banks on deposits:	17.48	15.32
	Interest on loans and advances	166.81	21.00
	<b>Total - Interest income</b>	<b>184.29</b>	<b>36.32</b>

**Note 21 Other income (contd.)**

(₹ in lacs)

	Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(ii)	Other non-operating income comprises:		
	Liabilities / provisions no longer required written back	136.16	156.02
	Miscellaneous income	30.43	72.46
	<b>Total - Other non-operating income</b>	<b>166.59</b>	<b>228.48</b>

**Note 22.a Cost of materials consumed**

(₹ in lacs)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Opening stock	988.95	1,436.46
Add: Purchases	35,674.53	31,846.35
	<b>36,663.48</b>	<b>33,282.81</b>
Less: Closing stock	1,534.41	988.95
<b>Cost of materials consumed</b>	<b>35,129.07</b>	<b>32,293.86</b>
Materials consumed comprise:		
Grain, Color and Essences	23,732.08	23,172.76
Packing Material	11,396.99	9,121.10
<b>Total</b>	<b>35,129.07</b>	<b>32,293.86</b>

**Note 22.b Changes in inventories of finished goods**

(₹ in lacs)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<u>Inventories at the end of the year:</u>		
Finished goods	3,189.36	3,256.60
	<b>3,189.36</b>	<b>3,256.60</b>
<u>Inventories at the beginning of the year:</u>		
Finished goods	3,256.60	1,791.79
	<b>3,256.60</b>	<b>1,791.79</b>
<b>Net (increase) / decrease</b>	<b>67.24</b>	<b>(1,464.81)</b>

**Note 23 Employee benefits expense**

(₹ in lacs)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Salaries and wages	1,346.20	1,141.54
Contributions to provident and other funds	32.43	29.53
Gratuity expense (Refer Note 27.2)	27.15	22.60
Staff welfare expenses	24.90	19.95
<b>Total</b>	<b>1,430.68</b>	<b>1,213.62</b>

**Note 24 Finance costs**

(₹ in lacs)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(a) Interest expense on:		
(i) Borrowings	1,367.50	909.34
(ii) Others		
- Interest on delayed / deferred payment of income tax	16.51	79.23
- Bank Charges	22.70	27.09
<b>Total</b>	<b>1,406.71</b>	<b>1,015.66</b>

## Note 25 Other expenses

(` in lacs)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Consumption of stores and spare parts and chemicals	1,040.55	849.19
Increase / (decrease) of excise duty on inventory	(10.36)	97.93
Power and fuel	5,664.56	4,703.77
Bottling Expenses/fees	3,931.20	3,033.83
Excise License, Establishment and Supervision fees	501.88	451.43
Security	78.73	76.20
Effluent Disposal	37.25	46.61
Flour & Pet Coke Feeding	188.59	132.82
Rent including lease rentals (Refer Note 29.2)	193.25	153.87
Repairs and maintenance - Buildings	18.76	11.25
Repairs and maintenance - Machinery	501.97	472.84
Repairs and maintenance - Others	95.63	172.22
Insurance	54.05	66.78
Rates and taxes	22.71	25.48
Communication	24.58	23.63
Travelling and conveyance	110.24	169.82
Printing and stationery	14.52	32.35
Freight and forwarding	2,200.07	1,330.39
Business promotion and marketing	260.68	219.80
Donations and contributions	2.40	0.63
Legal and professional	167.59	151.32
Payments to auditors (Refer Note (i) below)	35.06	17.92
Subscription Books & Periodicals	22.69	20.32
Electricity	11.68	7.92
Director's Sitting Fee	2.81	6.58
Business surplus to Franchise	1,666.88	579.23
Bad trade and other receivables, loans and advances written off	117.38	76.81
Provision for doubtful trade and other receivables, loans and advances (net)	16.51	130.12
Expenditure on Corporate Social Responsibility	50.00	-
Loss on fixed assets sold / scrapped / written off	18.58	13.81
Provision for decline, other than temporary in carrying value of investment	-	8.78
Miscellaneous expenses	26.66	26.42
<b>Total</b>	<b>17,067.10</b>	<b>13,110.07</b>

### Notes:

(` in lacs)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(i) Payments to the auditors comprise (net of service tax input credit, where applicable):		
(a) To statutory auditors		
For statutory audit	20.00	11.00
For other services	12.55	5.01
Reimbursement of expenses	1.26	0.66
	<b>33.81</b>	<b>16.67</b>
(b) To cost auditors for cost audit	1.25	1.25
<b>Total</b>	<b>35.06</b>	<b>17.92</b>

**Note 26 Additional information to the standalone financial statements**
**26.1 Contingent liabilities and commitments (to the extent not provided for)**

(` in lacs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debt		
Excise duty matters	180.81	180.81
Income tax matters	215.44	215.44
Other matters	75.86	75.86
(b) Guarantees		
Guarantees by bank on behalf of Company	390.78	367.33
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	2,909.61	233.09

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

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

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

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

(i) Outstanding forward exchange contracts entered into by the Company as on 31 March, 2015.

Particulars	Amount in USD	Buy / Sell	Amount in ` lacs
Forward cover against orders to be executed / outstanding receivables	165,000	Sell	104.23
	(1,725,000)	(Sell)	(1,068.28)

Note: Figures in brackets relate to the previous year.

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

As at 31 March, 2015		As at 31 March, 2014	
Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency	Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency
Amount in ` Lacs	Amount in USD	Amount in ` Lacs	Amount in USD
10.63	17,200	-	-

(` in lacs)

**26.4 Expenditure in foreign currency:**

	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Professional & Consultancy Fee	1.54	-
Others	8.21	0.91

(` in lacs)

**25.5 Earnings in foreign exchange:**

	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Export of goods calculated on FOB basis	6,056.41	2,010.97

(` in lacs)

**25.6 Amounts remitted in foreign currency during the year on account of dividend on preference share capital**

	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Amount of dividend remitted in foreign currency	167.52	335.04
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	1	1
Total number of shares held by them on which dividend was due	5,038,168	5,038,168
Period to which the dividend relates	Form March 19, 2014 to September 18, 2014	Form March 19, 2013 to March 18, 2014



## Note 27 Employee benefit plans

### 27.1 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 ` 32.43 lac (Year ended 31 March, 2014 ` 29.53 lac) for Provident Fund contributions, and ` 2.33 lac (Year ended 31 March, 2014 ` 2.89 lac) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

### 27.2 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:

(` in lacs)			
Particulars	Year ended 31		Year ended 31
	March, 2015		March, 2014
	Gratuity		Gratuity
<b>Components of employer's expense</b>			
Current service cost	17.78		14.28
Interest cost	11.25		9.29
Actuarial (gains) / losses	(1.88)		(0.97)
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>27.15</b>		<b>22.60</b>
<b>Actual benefit payments for the year</b>	<b>4.64</b>		<b>6.31</b>
<b>Net asset / (liability) recognised in the Balance Sheet</b>			
Present value of defined benefit obligation	154.91		132.39
Fair value of plan assets	-		-
Funded status [Surplus / (Deficit)]	(154.91)		(132.39)
Unrecognised past service costs	-		-
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(154.91)</b>		<b>(132.39)</b>
<b>Change in defined benefit obligations (DBO) during the year</b>			
Present value of DBO at beginning of the year	132.39		116.10
Current service cost	17.78		14.28
Interest cost	11.25		9.29
Actuarial (gains) / losses	(1.88)		(0.97)
Past service cost	-		-
Benefits paid	(4.64)		(6.31)
Present value of DBO at the end of the year	154.91		132.39
<b>Actuarial assumptions</b>			
Discount rate	7.75		8.5
Expected return on plan assets	-		-
Salary escalation	5%		6%
Mortality tables	IALM (2006 - 08)		IALM (2006 - 08)
Estimate of amount of contribution in the immediate next year	32.45		29.81
<b>Experience adjustments*</b>			(` in lacs)
	<b>2014-2015</b>	<b>2013-2014</b>	<b>2012-2013</b>
<b>Gratuity</b>			
Present value of DBO	154.91	132.39	116.11
Fair value of plan assets	-	-	-
Funded status (Deficit)	(154.91)	(132.39)	(116.11)
Experience gain / (loss) adjustments on plan liabilities	1.68	1.03	(15.44)
Experience gain / (loss) adjustments on plan assets	-	-	-

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

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

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

## Note 28 Related party transactions

28.1	Details of related parties:		
	Description of relationship	Names of related parties	
	(i) Subsidiary Company	Globus Trade Bay Limited Uber Blenders & Distillers 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 influence	Biotech India Limited Chandbagh Investments Limited GRAS education and training Services Private Limited Himalayan Spirits Limited Globus Spirits (Jharkhand) Limited Globus Trois Freres India Limited Globus Feeds Private Limited V C technologies Private Limited Northern India Alcohol Sales Private Limited Rajasthan Distilleries Private Limited Associated Distilleries Limited	

28.2	Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2015:		
	Particulars	Current Year	Previous Year
	Remuneration to KMP and relatives of KMP		
	Mr. Ajay Kumar Swarup	62.40	47.70
	Mr. Shekhar Swarup	30.95	22.50
	Dr. Bhaskar Roy	37.48	20.21
	Mr. Manik Lal Dutta	27.56	13.12
	Mr. R.D Aggarwal	-	7.50
	Mrs. Madhavi Swarup	-	1.86
	Mrs. Saroj Rani Swarup	-	1.86
	Mrs. Pratima Roy	-	13.03
	Mrs. Anju Aggarwal	-	3.48
	Investment Made		
	Uber Blenders & Distilleries Private. Limited w.e.f from February 16, 2015	5.00	-
	Globus Trade Bay Limited w.e.f from February 09, 2015	1.69	-
	Rent Paid		
	Rajasthan Distilleries Private Limited	49.64	15.00
	Biotech India Limited	49.64	15.00
	Associated Distilleries Limited	6.00	6.00
	Share application money received		
	Chandbagh Investments limited	801.53	-
	Shares capital issued		
	Chandbagh Investments limited	76.34	-
	Sale of goods		
	Sale of goods to Globus Trade Bay Limited	3,240.19	-
	Loan Given		
	Loans and advances given to Uber Blenders & Distillers Limited	31.14	-

28.2 Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2015 (Contd.):

		(` in lacs)	
	Particulars	Current Year	Previous Year
	<b>Payments made on behalf of</b>		
	Globus Trois Freres India Limited	0.08	0.18
	Uber Blenders & Distillers Limited	20.58	-
	Chandbagh Investments Limited	-	3.93
	V C technologies Private Limited	4.21	7.38
	Northern India Alcohol Sales Private Limited	1.72	0.80
	Himalayan Spirits Limited	-	1.63
	Biotech India Limited	16.16	-
	Associated Distilleries Limited	0.19	-
	Globus Spirits (Jharkhand) Limited	9.12	-
	<b>Expenses reimbursed</b>		
	V.C Technologies Private Limited	4.21	-
	Northern India Alcohol sales Private Limited	1.72	-
	<b>Balances outstanding at the end of the year</b>		
	<b>Trade payable</b>		
	Biotech India Limited	-	(88.65)
	Rajasthan Distillers Private limited	-	(67.35)
	<b>Security Deposit Given</b>		
	Associated Distilleries Limited	464.94	464.94
	<b>Loans given</b>		
	Uber Blenders & Distillers Limited (for the purpose of promoting the business of subsidiary)	31.14	-
	<b>Other Receivable/(Payable)</b>		
	Globus Trois Freres India Limited	0.26	0.18
	Himalayan Spirits Limited	(0.42)	(0.42)
	Relatives of KMP	-	73.90

**Note 29 Details of leasing arrangements**

		(` in lacs)	
Note	Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	<u>As Lessee</u>		
29.1	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	53.89	61.38
	later than one year and not later than five years	137.94	162.26
	later than five years	20.46	50.61
		<b>212.29</b>	<b>274.24</b>
	Less: Unmatured finance charges	46.17	66.05
	Present value of minimum lease payments payable	<b>166.12</b>	<b>208.18</b>
	not later than one year	38.25	41.49
	later than one year and not later than five years	108.38	120.61
	later than five years	19.49	46.09
		<b>166.12</b>	<b>208.19</b>
29.2	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
	later than one year and not later than five years	-	-
	later than five years	-	-
	Lease payments recognised in the Statement of Profit and Loss	193.25	153.87

**Note 30 Earnings per share**

(₹ in lacs)

	Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	<b>Basic</b>		
	Profit for the year	706.70	427.64
	<b>Less:</b> Preference dividend and tax thereon	195.99	391.98
	Profit for the year attributable to the equity shareholders	<b>510.72</b>	<b>35.66</b>
	Weighted average number of equity shares (No. of shares)	26,097,187	22,997,741
	Par value per share (₹)	10	10
	Earnings per share - Basic (₹)	1.96	0.16
	<b>Diluted</b>		
	Profit / (loss) for the year	706.70	427.64
	<b>Less:</b> Preference dividend and tax thereon	195.99	391.98
	Profit for the year attributable to the equity shareholders	510.72	35.66
	<b>Add:</b> Savings on warrant	-	-
	Profit attributable to equity shareholders (on dilution)	510.72	35.66
	Weighted average number of equity shares for Basic EPS (No. of shares)	26,097,187	22,997,741
	<b>Add:</b> Effect of Warrants (No. of Warrants)	355,538	763,359
	Weighted average number of equity shares - for Diluted EPS (No. of shares)	<b>26,452,725</b>	<b>23,761,100</b>
	Earnings per share - Diluted (₹)	1.93	0.15
	<b>Add:</b> Preference dividend and tax thereon	195.99	391.98
	Profit attributable to equity shareholders (on dilution)	706.70	427.64
	Weighted average number of equity shares for Basic EPS (No. of shares)	26,097,187	22,997,741
	<b>Add:</b> Effect of Warrants, and Convertible Preference Share Capital (In Nos.)	2,702,082	5,801,527
	Weighted average number of equity shares - for Diluted EPS (No. of shares)	<b>28,799,269</b>	<b>28,799,268</b>
	Par value per share (₹)	10	10
	Earnings per share - Diluted (₹)*	2.45	1.48

\*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 31 Deferred tax (liabilities) / assets**

(₹ in lacs)

Note	Particulars	As at 31 March, 2015	As at 31 March, 2014
	<b>Deferred tax (liabilities) / assets</b>		
	<u>Tax effect of items constituting deferred tax liabilities</u>		
	On difference between book balance and tax balance of fixed assets	(5527.76)	(5034.79)
	Tax effect of items constituting deferred tax liabilities	<b>(5,527.76)</b>	<b>(5,034.79)</b>
	<u>Tax effect of items constituting deferred tax assets</u>		
	Provision for compensated absences, gratuity and other employee benefits	53.61	45.00
	Provision for doubtful debts / advances	5.71	44.23
	Deferred Tax Assets on loss for the year	778.66	-
	Bonus Payable	6.43	5.16
	Others	3.04	2.99
	Tax effect of items constituting deferred tax assets	<b>847.46</b>	<b>97.38</b>
	<b>Deferred tax (liabilities) / assets (net)</b>	<b>(4,680.30)</b>	<b>(4,937.41)</b>

The Company has recognised deferred tax asset on unabsorbed depreciation and / or brought forward business losses based upon projections for future taxable income over the periods, which have been approved by board.

**Note 32 Previous year's figures**

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

Signature to note 1 to 32

**For and on behalf of the Board of Directors**

Sd/-

**Ajay K. Swarup**  
Managing Director  
DIN-00035194

Sd/-

**Manik Lal Dutta**  
Executive Director  
DIN-00769308

Sd/-

**Santosh Kumar Pattanayak**  
Company Secretary  
ACS-18721

Sd/-

**Bhaskar Roy**  
Executive Director & CFO  
DIN-02805627

Place : New Delhi  
Date : May 20, 2015



**Globus Spirits**

**FORM B**

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

1.	Name of the Company:	Globus Spirits Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March 2015
3.	Type of Audit qualification	<p><b><u>Standalone Financial Statements</u></b></p> <p><b><u>Basis for Qualified Opinion</u></b>  <i>As on March 31, 2015, Fixed Assets include Intangible Assets aggregating to Rs. 2,164.95 Lacs (March 31, 2014 – Rs. 2,886.60 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, 2015 would have been lower by Rs. 2,164.95 Lacs (March 31, 2014 – Rs. 2,886.60 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. 709.00 Lacs and Reserves and Surplus would be lower by Rs. 1,415.70 Lacs.</i></p> <p><b><u>Qualified Opinion</u></b>  In our opinion and to the best of our information and according to the explanations given to us, <i>except for the effects of the matter described in the Basis for Qualified Opinion paragraph above</i>, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.</p> <p><b><u>Consolidated Financial Statements</u></b></p> <p><b><u>Basis for Qualified Opinion</u></b>  <i>As on March 31, 2015, Fixed Assets include Intangible Assets aggregating to Rs. 2,164.95 Lacs under the head "Knowhow and New Brand Development" representing intangibles internally generated by the Holding Company through expenditure on advertisement and promotional expenses. Such recognition is not in accordance with Accounting Standard – 26 "Intangible Assets". Had the Holding Company complied with requirements of AS-26, Fixed Assets as at March 31, 2015 would have been lower by Rs. 2,164.95 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. 741.69 Lacs and Reserves and Surplus would be lower by Rs. 1,415.70 Lacs.</i></p> <p><b><u>Qualified Opinion</u></b>  In our opinion and to the best of our information and according to the explanations given to us, <i>except for the effects of the matter described in the Basis for Qualified Opinion paragraph above</i>, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.</p>
4.	Frequency of qualification	Standalone financial statements – 2 <sup>nd</sup> year of observation Consolidated financial statements – 1 <sup>st</sup> year of observation.



**Globus Spirits Limited**

(Corporate Identity Number: L74899DL1993PLC052177)

**Registered & 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



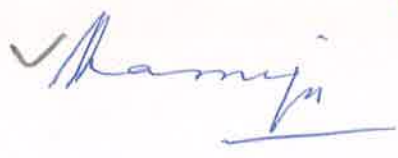
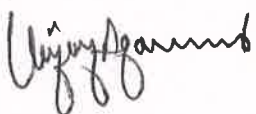

**Works(1):** Village: Shyampur, Tehsil: Behror 301701 Distt.: Alwar (Raj.) Tel.: +91-1494-516340/41

**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



5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p><b><u>Standalone Financial Statements</u></b></p> <p><b>Note No.11(1) inserted in Standalone financial statements :-</b> 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><b><u>Consolidated Financial Statements</u></b></p> <p><b>Note No.10(1) inserted in Consolidated financial statements :-</b> 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><b>Management Response to the qualifications in standalone and consolidated financial statements in the directors report:</b></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.	<p>To be signed by- Managing Director</p> <p>CFO</p> <p>Chairman for the Audit Committee meeting</p> <p>Auditor of the company</p>	<p>Mr. Ajay Kumar Swarup </p> <p>Dr. Bhaskar Roy </p> <p>Sh. Joginder Singh Dhamija </p> <p>For Deloitte Haskins &amp; Sells Chartered Accountants (Firm's Registration No. 015125N)  <b>Vijay Agarwal</b> Partner (Membership No. 094468)</p> 

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