

Deloitte Haskins & Sells

Chartered Accountants
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INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS TO THE BOARD OF DIRECTORS OF GLOBUS SPIRITS LIMITED

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **GLOBUS SPIRITS LIMITED** ("the Company"), for the quarter and six months ended September 30, 2021 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

RAJESH KUMAR
AGARWAL

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Rajesh Kumar Agarwal
(Partner)
(Membership No. 105546)
(UDIN: 21105546AAAIE1444)

Place: Gurugram
Date: November 12, 2021

Statement of Unaudited Financial Results for the Quarter and Six months ended September 30, 2021

(Rs. In Lacs)

S.No	Particulars	Quarter ended			Six Month ended		Year ended
		September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	INCOME						
1	Revenue from Operations	59,396.93	55,062.36	45,672.45	1,14,459.29	74,870.68	1,67,212.83
2	Other Income	156.72	108.29	342.36	265.01	429.65	656.17
3	TOTAL INCOME (1+2)	59,553.65	55,170.65	46,014.81	1,14,724.30	75,300.33	1,67,869.00
	EXPENSES						
	Cost of materials consumed	18,530.06	17,756.77	18,349.17	36,286.83	29,731.25	64,493.81
	Changes in inventories of finished goods and work in progress	1,194.44	637.94	(648.33)	1,832.38	1,943.10	822.45
	Excise duty on sale of goods	21,175.01	18,010.49	12,911.82	39,185.50	19,100.93	44,136.22
	Employee benefits expense	1,072.64	1,449.42	1,090.40	2,522.06	1,997.92	3,842.39
	Finance Costs	238.75	392.55	490.65	631.30	999.24	1,882.83
	Depreciation expense	1,043.73	1,034.06	995.99	2,077.79	1,951.95	4,065.68
	Other expenses	8,645.69	7,396.85	7,969.33	16,042.54	12,166.77	28,397.18
4	TOTAL EXPENSES	51,900.32	46,678.08	41,159.03	98,578.40	67,891.16	1,47,640.56
5	PROFIT BEFORE TAX (3-4)	7,653.33	8,492.57	4,855.78	16,145.90	7,409.17	20,228.44
6	TAX EXPENSES						
	Current Tax	2,325.16	1,551.12	1,292.59	3,876.28	1,292.59	3,529.02
	Deferred Tax	76.66	1,376.03	552.19	1,452.69	842.56	2,300.34
	Tax relating to prior years	-	-	-	-	-	-
7	NET PROFIT FOR THE PERIOD (5-6)	5,251.51	5,565.42	3,011.00	10,816.93	5,274.02	14,399.08
8	Other Comprehensive Income						
	A. (i) Items that will not be reclassified to Profit or Loss	20.85	2.54	(16.91)	23.39	(33.81)	9.88
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss	(7.28)	(0.89)	5.90	(8.17)	11.81	(3.45)
9	TOTAL COMPREHENSIVE INCOME (7+8)	5,265.08	5,567.07	2,999.99	10,832.15	5,252.02	14,405.51
10	Paid Up Equity Capital	2,879.93	2,879.93	2,879.93	2,879.93	2,879.93	2,879.93
11	Face Value of the Share (INR)	10	10	10	10	10	10
	EARNINGS PER SHARE (of Rs. 10/- each) (not annualised):						
	(a) Basic	18.28	19.33	10.42	37.61	18.24	50.02
	(b) Diluted	18.28	19.33	10.42	37.61	18.24	50.02



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Globus Spirits Limited

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Statement of Unaudited Cash Flows for Six months ended September 30, 2021

(Rs. In Lacs)

Particulars	Six months ended	
	September 30, 2021	September 30, 2020
	(Unaudited)	(Unaudited)
Cash flow from/(used in) operating activities		
- Profit before taxes	16,145.90	7,409.17
- Operating profit/(loss) before working capital changes	18,616.68	9,934.46
Net cash generated from/(used in) operating activities	13,768.04	4,357.55
Cash flow from/(used in) investing activities	(9,245.22)	(733.55)
Cash flow from/(used in) financing activities	(2,555.75)	(1,371.14)
Net increase/(decrease) in Cash and Cash Equivalents	1,967.07	2,252.86
Cash and cash equivalents at the beginning of the period	5,812.66	1,998.46
Cash and Cash equivalents at the end of the period	7,779.73	4,251.32
Components of Cash and Cash Equivalents		
Reconciliation of cash and cash equivalents		
Cash in hand	2.03	1.48
Balances with banks		
(i) In current accounts	141.90	417.42
(i) Bank deposits	7,635.80	3,832.42
Net Cash and Cash Equivalents	7,779.73	4,251.32



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Chartered Accountant
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Notes to Unaudited Financial Results for the Quarter and Six months ended September 30, 2021

Notes :

- 1 These results have been prepared in accordance with the recognition and measurement principles as laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. The above unaudited results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on November 12, 2021.
- 2 The Company is engaged in the business of manufacture and sale of Indian Made Indian Liquor (IMIL), Indian Made Foreign Liquor (IMFL), Ethanol, Bulk Alcohol and Franchise Bottling. This is the only activity performed and is thus also the main source of risks and returns. The Company's segments as reviewed by the Chief Operating Decision Maker (CODM) does not result into identification of different ways / sources in to which they see the performance of the Company. Accordingly, the Company has a single reportable segment.
- 3 The scheme of Amalgamation(scheme) between the Company (Amalgamated Company) and its subsidiary (Amalgamating Company) by the name of Unibev Limited as approved by the National Company Law Tribunal has become effective w.e.f. the appointed date i.e. April 01, 2019 on completion of all the required formalities on September 17, 2021.

The scheme envisages transfer of all properties, rights, powers, liabilities and duties of the Amalgamating Company to the Amalgamated Company.

Pursuant to the Scheme, during the current quarter and six months ended September 30, 2021, the amalgamation has been accounted under the 'pooling of interests' method in accordance with the "Ind AS 103 Business Combinations" and the assets, liabilities and reserves of the Amalgamating Company have been accounted for at their book value, in the books of the Amalgamated Company. The share capital of the Amalgamating Company have been cancelled with the Amalgamated Company's investment in the Amalgamating Company.

The Company will issue 3,500 shares as per the scheme to the minority shareholder and consequent adjustment has been made in reserves and surplus.

The net assets and reserves/ (deficit) taken over as at April 01, 2019 amounted to Rs. 917.02 Lacs and Rs. (1,297.25) Lacs respectively.

The losses of Amalgamating Company for the year ended March 31, 2020 has also been accounted for in the reserves of the Company amounting to Rs. 961.18 Lacs net off tax benefit of Rs. 360.52 Lacs.

The results for the year ended March 31, 2021, quarter and six months ended September 30, 2020 and quarter ended June 30, 2021 have been restated to give effect to the amalgamation. Consequent to this restatement, the profit after tax for the year ended March 31, 2021 is higher by Rs. 2,573.44 Lacs, quarter and six months ended September 30, 2020 and quarter ended June 30, 2021 is lower by Rs. 116.23 Lacs, Rs. 309.25 Lacs and Rs. 377.47 Lacs respectively.



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4 In June, 2020, Directorate General of Goods and Services Tax (GST) Intelligence (DGGI) carried out search proceedings at various premises of the Company; at factories and at head office. Pursuant to the aforesaid search proceeding the Company has deposited Rs. 1,989.97 Lacs under protest towards GST liability which may arise on account of issue regarding classification of one of the item sold by the Company for the period July, 2017 to December, 2020. The Company has filed writ petition before Hon'ble Delhi High Court on February 17, 2021 challenging the action of DGGI and seeking refund of amount deposited by the Company. The matter is pending disposal at Hon'ble High Court and the next hearing in the matter is scheduled on January 19, 2022.

Pending disposal of the matter at Hon'ble High Court, on October 01, 2021, DGGI issued summons to the Managing Director and Joint MD of the Company in connection with payment of GST liability and on October 06, 2021 the Ministry of Finance, Department of Revenue vide its Circular No. 163/19/2021-GST has clarified on the classification of the said item on the recommendations of the GST Council and accordingly the said item is classified as taxable.

Pursuant to the summon and circular in the matter, the Company has deposited Rs. 733.71 Lacs under protest towards GST liability for the period January 01, 2021 to September 30, 2021 and Rs. 17.35 Lacs for the period October 01, 2021 to October 10, 2021. The Company has started collecting GST on the said item from its customers w.e.f October 11, 2021 and is being deposited with the Government under protest and will be reimbursed to the customers if the Company wins the case.

The Company is in the process of filing writ petition against the said circular dated October 06, 2021. The Company has been advised that the circular issued by the government is illegal and ultra vires the provisions of the GST laws. On the basis of legal opinion obtained, the Management is confident that ultimately no liability will devolve on the Company and the Company will be able to get refund of amount deposited from the Department.

- 5 The operations at Company's plant located in Bihar have been temporarily disrupted due to flooding and water logging at the factory premises caused by heavy rains since August 15, 2021.
- 6 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

For Globus Spirits Limited

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Ajay K. Swarup
Managing Director

Place: New Delhi
Date : November 12, 2021

