

## **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 Standalone Unaudited Financial Results of **GLOBUS SPIRITS LIMITED** ("the Company"), for the quarter and half year ended September 30, 2017 ("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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Company's Management and approved by the 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 issue a report on the Statement based on our review.

2. 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. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards 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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw attention to Note 6 of the Statement which describes the status of renewal of license for manufacture and sale of Extra Neutral Alcohol (ENA) under the Bihar Prohibition and Excise Act, 2016, in respect of one of the manufacturing plant located in Bihar.

Our report is not modified in respect of this matter.



# Deloitte Haskins & Sells

5. The previously issued financial information of the Company for the quarter and half year ended September 30, 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and were reviewed by us. These previously issued financial information have been restated to comply with Ind AS and included in this Statement as comparative financial information. The adjustments made to the previously issued financial information to comply with Ind AS have been reviewed by us.



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

A handwritten signature in black ink, appearing to read "Vijay Agarwal".

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

*OK*  
**NEW DELHI**, November 10, 2017

## Globus Spirits Limited

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

CIN : L74899DL1993PLC052177 Website : www.globusspirits.com

Tel No. : 011-66424600 Fax : 011-66424629 Email : corpoffice@globusgroup.in

### Statement of Standalone Unaudited Financial Results for the Quarter and Half Year ended September 30, 2017

(Rs. In Lacs)

S.N o.	Particulars	Quarter ended September 30, 2017	Quarter ended June 30, 2017	Quarter ended September 30, 2016	For half year ended September 30, 2017	For half year ended September 30, 2016
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	Revenue from Operations	36,282.78	38,964.92	23,142.38	75,247.70	50,876.61
2	Other Income	265.46	110.20	83.63	375.66	182.79
3	<b>TOTAL INCOME (1+2)</b>	<b>36,548.24</b>	<b>39,075.12</b>	<b>23,226.01</b>	<b>75,623.36</b>	<b>51,059.40</b>
	<b>EXPENSES</b>					
	Cost of materials consumed	13,655.97	14,448.66	10,938.89	28,104.63	21,611.67
	Excise duty	13,795.42	13,314.68	7,269.86	27,110.10	15,886.60
	Changes in inventories of finished goods, work-in-progress and stock-in- trade	(997.28)	1,820.23	(1,243.82)	822.95	(397.97)
	Employee benefits expense	573.21	544.08	349.46	1,117.29	726.03
	Finance Costs	682.70	709.65	320.47	1,392.35	671.14
	Depreciation and amortisation expense	937.70	861.16	604.42	1,798.86	1,200.45
	Other expenses	7,481.57	7,129.44	4,713.80	14,611.01	10,024.38
4	<b>TOTAL EXPENSES</b>	<b>36,129.29</b>	<b>38,827.90</b>	<b>22,953.08</b>	<b>74,957.19</b>	<b>49,722.30</b>
5	<b>PROFIT BEFORE TAX (3-4)</b>	<b>418.95</b>	<b>247.22</b>	<b>272.93</b>	<b>666.17</b>	<b>1,337.10</b>
6	<b>TAX EXPENSES</b>					
	Current Tax	103.47	52.44	0.85	155.91	182.40
	Deferred Tax	38.42	38.01	100.50	76.43	176.79
7	<b>NET PROFIT FOR THE PERIOD (5-6)</b>	<b>277.06</b>	<b>156.77</b>	<b>171.58</b>	<b>433.83</b>	<b>977.89</b>
8	<b>Other Comprehensive Income</b>					
	A. (i) Items that will not be reclassified to Profit & Loss	(0.49)	(0.45)	(0.39)	(0.94)	(0.75)
	(ii) Income tax relating to items that will not be reclassified to Profit & Loss	0.17	0.15	0.13	0.32	0.26
9	<b>TOTAL COMPREHENSIVE INCOME (7+8)</b>	<b>276.74</b>	<b>156.47</b>	<b>171.32</b>	<b>433.21</b>	<b>977.40</b>
10	Paid Up Equity Capital	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
	<b>EARNINGS PER SHARE (of Rs. 10/- each) (not annualised):</b>					
	(a) Basic	0.96	0.54	0.59	1.50	3.39
	(b) Diluted	0.96	0.54	0.59	1.50	3.39



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**Standalone Balance Sheet as at September 30, 2017**

As at September 30, 2017	
Unaudited	
<b>ASSETS</b>	
<b>Non-current assets</b>	
(a) Property, plant and equipment	62,274.62
(b) Capital work-in-progress	82.54
(c) Intangible assets under development	22.74
(d) Financial assets	
(i) Investments	494.63
(ii) Loans	73.21
(iii) Others	570.49
(e) Other non-current assets	1,356.26
<b>Total Non - Current Assets</b>	<b>64,874.49</b>
<b>Current assets</b>	
(a) Inventories	6,471.13
(b) Financial assets	
(i) Trade receivables	4,660.97
(ii) Cash and cash equivalents	460.03
(iii) Bank balances other than (ii) above	1,212.14
(iv) Loans	9.10
(v) Others	247.94
(c) Current tax assets (Net)	279.97
(d) Other current assets	838.00
<b>Total Current Assets</b>	<b>14,179.28</b>
<b>Total Assets</b>	<b>79,053.77</b>
<b>EQUITY AND LIABILITIES</b>	
<b>Equity</b>	
(a) Equity share capital	2,879.93
(b) Other equity	35,037.05
<b>Total Equity</b>	<b>37,916.98</b>
<b>LIABILITIES</b>	
<b>Non-current liabilities</b>	
(a) Financial liabilities	
(i) Borrowings	16,184.43
(b) Provisions	157.95
(c) Deferred tax liabilities (Net)	2,104.20
(d) Other non-current liabilities	106.00
<b>Total Non - Current Liabilities</b>	<b>18,552.58</b>
<b>Current liabilities</b>	
(a) Financial liabilities	
(i) Borrowings	6,522.83
(ii) Trade payables	10,368.08
(iii) Other financial liabilities	3,393.91
(b) Other current liabilities	2,174.21
(c) Provisions	125.18
(d) Current tax liabilities (Net)	
<b>Total Current Liabilities</b>	<b>22,584.21</b>
<b>Total Equity and Liabilities</b>	<b>79,053.77</b>



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### Notes to Standalone Unaudited Financial Results for the Quarter and Half year ended September 30, 2017

**Notes :**

1 The Unaudited Standalone Financial Results were reviewed by the Audit Committee and approved at the meeting of the Board of Directors of the Company at its meeting held on 10th November, 2017.

2 Since the company has decided to submit the consolidated financials along with the annual audited results, for the quarter and Half year ended 30th September, 2017 only the standalone financial results are submitted.

3 The company has adopted Indian Accounting Standard ("Ind AS") from 1st April, 2017 and accordingly these financial results have been prepared in accordance with recognition and measurement principles laid down in the Ind AS 34 "Interim Financial Reporting", prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and the other accounting principles generally accepted in India. The impact of transition has been accounted for in the opening reserves ( other equity ) and the comparative period has been restated accordingly.

4 As the company's business actively falls within a single primary business segment, namely Alcohol and Alcoholic Beverages, the disclosure requirements of Regulation 33 of the SEBI ( Listing Obligations and disclosure Requirements) Regulations, 2015 in terms of Ind AS 108 Operating Segments are not applicable.

5. A. Reconciliation of the standalone financial results to those reported under previous Generally Accepted Accounting Principles (GAAP) and IND AS for the quarter and half year ended 30th September 2016 are summarized as follows:

Particulars	For the Quarter ended 30th September 2016	For the Half ended 30th September 2016
Profit after tax as reported under previous GAAP	2.59	635.37
Net gain arising on revaluing the property, plant and equipment at fair value	269.20	551.63
Impact of amortization of leasehold land	(2.68)	(5.36)
Others	(6.68)	(16.86)
Tax adjustments	(90.85)	(186.89)
<b>Profit after tax as reported under Ind AS</b>	<b>171.58</b>	<b>977.89</b>
Other comprehensive income ( OCI )	(0.39)	(0.75)
Tax adjustments on OCI	0.13	0.26
<b>Total comprehensive income as reported under Ind AS</b>	<b>171.32</b>	<b>977.40</b>

5.B. The audit reports dated May 27, 2016 and May 19, 2017 on audited standalone financial statements for the years ended 31st March 2016 and 2017, respectively were modified and included qualifications in respect of recognition of certain intangible items and impairment of certain plant and machineries as described in Note 11 to the audited standalone financial statements for year ended 31st March 2016 and 2017. While transiting to Ind AS, the Company has debited Rs. 2,905.30 lacs (net of deferred tax Rs. 1,537.61 lacs) to retained earnings as at 1st April 2016 (transition date) as prior period adjustments.

6. The Company's license for production of Extra Neutral Alcohol (ENA) from Grain in respect of one of the manufacturing plant located in Bihar was valid till March 31, 2017. The State Government of Bihar vide Notification No. 11/Adhi, Karya-01-06/2016-235 dated January 24, 2017, inter alia, notified that the existing license of production of ENA from Grain based distilleries, or Bottling Plants shall not be renewed by the State Government from the financial year 2017-18. The company, aggrieved by the Notification filed a writ petition in the Patna High Court challenging the constitutional validity of certain provisions under Bihar Prohibition and Excise Act, 2016 so far as they relate to prohibition of manufacture and prevention of renewal of license pertaining to ENA. The High Court, while deciding the petition in favor of the Company on May 03, 2017 has, inter alia, set aside the Notification dated January 24, 2017 issued by the State Government so far as it prevents or denies the right of renewal of an existing license for production of ENA from grain based distillers. Based on the decision of the High Court, the company has applied for renewal of license with Registration, Excise and Prohibition Department, Government of Bihar, Patna on May 05, 2017. The said application is currently pending with the department. On May 29, 2017, Bihar excise department has filed special leave petition before the Supreme Court challenging the said High Court order dated May 03, 2017, which is yet to be decided.

Further, in a similar matter within the State of Bihar, Hon'ble High Court vide its order dated October 6, 2017, directed that once the ENA is sold outside the State of Bihar and utilized in any manner which is permissible in that other state, then the State of Bihar cannot control the said conversion or use of ENA. In light of the said order and directions passed by the Hon'ble High Court, Company has filed an application with Excise commissioner, Patna to issue necessary orders to allow immediate start of manufacture and export of ENA to other States. The company is confident of recommencing the operations in the financial year 2017-2018 after the license is renewed.

Assets at the Bihar manufacturing plant have a net book value of Rs.12,182.37 lacs (Gross Book value Rs.12,597.26 lacs) and also have alternative use. Pending detailed evaluation of the alternatives in the view of the management no provision is considered necessary to the carrying cost of these assets as at September 30, 2017.

7. Tax expense - Deferred tax is net of MAT credit of Rs. 103.47 lacs relating to current quarter and Rs. 155.90 lacs relating to half year ended 30th September, 2017

8. During the quarter ended June 30, 2017 revenue from operations was presented net of excise duties of Rs.5,446.73 lacs in respect of one of the units which has now been grossed up.

**Limited Review**

The Limited Review, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed and the related Report forwarded to the Stock Exchanges.

Place: New Delhi  
 Date : 10 November, 2017



For Globus Spirits Limited

*(Signature)*  
 Joint Managing Director