

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF GLOBUS SPIRITS LIMITED

Opinion and Conclusion

We have (a) audited the Financial Results for the year ended March 31, 2022 and (b) reviewed the Financial Results for the quarter ended March 31, 2022 (refer 'Other Matter' section below), which were subject to limited review by us, both included in the accompanying Statement of Financial Results for the Quarter and Year Ended March 31, 2022 of **GLOBUS SPIRITS LIMITED** ("the Company"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Financial Results for the year ended March 31, 2022:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

(b) Conclusion on Unaudited Financial Results for the quarter ended March 31, 2022

With respect to the Financial Results for the quarter ended March 31, 2022, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Financial Results for the quarter ended March 31, 2022, prepared in accordance with the recognition and measurement principles laid down in the 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 amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Basis for Opinion on the Audited Financial Results for the year ended March 31, 2022

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Results for the year ended March 31, 2022 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Statement

This Statement which includes the Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Financial Results for the year ended March 31, 2022 has been compiled from the related audited financial statements. This responsibility includes the preparation and presentation of the Financial Results for the quarter and



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year ended March 31, 2022 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 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 Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities

(a) Audit of the Financial Results for the year ended March 31, 2022

Our objectives are to obtain reasonable assurance about whether the Financial Results for the year ended March 31, 2022 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the Annual Financial Results, including the disclosures, and whether the Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Financial Results of the Company to express an opinion on the Annual Financial Results.

Materiality is the magnitude of misstatements in the Annual Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

(b) Review of the Financial Results for the quarter ended March 31, 2022

We conducted our review of the Financial Results for the quarter ended March 31, 2022 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 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 SAs specified under section 143(10) of the Act 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.

Other Matter

As stated in note 6, the Statement includes the results for the Quarter ended March 31, 2022 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Our report on the Statement is not modified in respect of this matter.

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



Rajesh Kumar Agarwal
Partner

(Membership No.105546)
UDIN: 22105546AJMCVE7049

Place: Gurugram
Date: May 24, 2022

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Globus Spirits Limited

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

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Tel No. : 011-66424600,
Fax No: 011-66424629

Website : www.globusspirits.com
Email : corpoffice@globusgroup.in

Balance sheet as at March 31, 2022

(Rs. in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
	(Audited)	(Audited)
I. ASSETS		
1 Non - current assets		
(a) Property, plant and equipment	64,909.86	55,602.13
(b) Capital work-in-progress	9,800.32	4,831.04
(c) Right to use of assets	1,995.84	2,211.42
(d) Intangible assets	58.55	40.86
(e) Financial assets		
(i) Investments	0.30	0.30
(ii) Others financial assets	2,737.26	1,749.10
(f) Income tax assets (net)	102.19	102.19
(g) Other non current assets	5,342.05	4,377.25
Total non-current assets	84,946.37	68,914.29
2 Current assets		
(a) Inventories	10,848.89	10,214.74
(b) Financial assets		
(i) Trade receivables	11,804.84	8,790.90
(ii) Cash and cash equivalents	2,561.86	4,815.55
(iii) Bank balances other than (ii) above	5,050.33	1,130.23
(iv) Loans	2.74	2.03
(v) Others financial assets	602.83	373.64
(c) Other current assets	7,834.79	5,059.47
Total current assets	38,706.28	30,386.56
TOTAL ASSETS	123,652.65	99,300.85
II. EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	2,880.28	2,879.93
(b) Share suspense account	-	0.35
(c) Other equity	74,350.31	56,186.89
	77,230.59	59,067.17
2 Liabilities		
Non - current liabilities		
(a) Financial liabilities		
(i) Borrowings	10,894.97	10,670.60
(ii) Lease liability	424.01	565.97
(b) Provisions	328.44	300.82
(c) Deferred tax liabilities (net)	8,873.98	4,937.64
(d) Other non current liabilities	250.79	204.01
Total non-current liabilities	20,772.19	16,679.04
3 Current liabilities		
(a) Financial liabilities		
(i) Borrowings	6,503.76	7,213.33
(ia) Lease liability	207.86	252.27
(ii) Trade payables		
-Total Outstanding dues of Micro Enterprises and Small Enterprises	852.18	131.85
-Total Outstanding dues to creditors other than Micro Enterprises and Small Enterprises	12,973.57	11,742.53
(iii) Other financial liabilities	1,260.56	227.39
(b) Other current liabilities	2,942.56	3,214.24
(c) Provisions	673.88	677.07
(d) Current tax liabilities (net)	235.50	95.96
Total current liabilities	25,649.87	23,554.64
Total liabilities	46,422.06	40,233.68
TOTAL EQUITY AND LIABILITIES	123,652.65	99,300.85



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Statement of Financial Results for the quarter and year ended March 31, 2022

(Rs. in Lacs)

S.No	Particulars	Quarter ended			Year ended	
		March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
		(Unaudited)*	(Unaudited)	(Unaudited)*	(Audited)	(Audited)
	INCOME					
1	Revenue from Operations	65,422.50	54,501.84	49,090.67	234,383.64	167,212.83
2	Other Income	180.52	217.00	131.12	662.52	656.18
3	TOTAL INCOME (1+2)	65,603.02	54,718.84	49,221.79	235,046.16	167,869.01
	EXPENSES					
	Cost of materials consumed	27,825.10	18,908.31	18,208.20	83,020.24	64,493.81
	Changes in inventories of finished goods and work in progress	(81.33)	(932.77)	(760.40)	818.28	822.45
	Excise duty on sale of goods	17,485.21	19,796.41	13,422.67	76,467.12	44,136.22
	Employee benefits expense.	1,435.11	1,050.77	904.60	5,007.94	3,842.39
	Finance costs	275.68	236.34	408.93	1,143.32	1,882.83
	Depreciation and amortisation expenses	1,130.51	1,047.77	1,108.93	4,256.07	4,065.67
	Other expenses	10,322.04	9,844.59	8,470.65	36,209.16	28,397.19
4	TOTAL EXPENSES	58,392.32	49,951.42	41,763.58	206,922.13	147,640.56
5	PROFIT BEFORE TAX (3-4)	7,210.70	4,767.42	7,458.21	28,124.03	20,228.45
6	TAX EXPENSES					
	Current Tax	931.59	661.89	1,301.03	5,469.75	3,528.70
	Deferred Tax	1,420.83	1,055.33	848.13	3,928.85	2,300.33
7	NET PROFIT FOR THE PERIOD (5-6)	4,858.28	3,050.20	5,309.05	18,725.43	14,399.42
8	Other Comprehensive Income					
	A. (i) Items that will not be reclassified to Profit or Loss	(13.63)	11.69	60.59	21.45	9.89
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss	4.76	(4.09)	(21.18)	(7.49)	(3.45)
9	TOTAL COMPREHENSIVE INCOME (7+8)	4,849.41	3,057.80	5,348.46	18,739.39	14,405.86
10	Paid Up Equity Capital	2,880.27	2,880.27	2,879.93	2,880.27	2,879.93
11	Face Value of the Share (INR)	10	10	10	10	10
	EARNINGS PER SHARE (of Rs. 10/- each) (not annualised):					
	(a) Basic	16.87	10.59	18.43	65.01	50.00
	(b) Diluted	16.87	10.59	18.43	65.01	50.00

* Refer Note 6



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Statement of Cash Flows for the year ended March 31, 2022

Particulars	Year ended	
	March 31, 2022	March 31, 2021
	(Audited)	(Audited)
(Rs. in Lacs)		
Cash flow from operating activities		
- Profit for the year	18,725.43	14,399.42
- Operating profit before working capital changes	32,938.08	25,926.18
Net cash generated from operating activities	21,879.37	14,159.02
Net cash used in investing activities	(21,763.22)	(9,797.24)
Net cash used in financing activities	(2,369.84)	(1,493.54)
Net (decrease)/ increase in cash and cash equivalents	(2,253.69)	2,868.24
Cash and cash equivalents at the beginning of the period	4,815.55	1,947.31
Cash and cash equivalents at the end of the period	2,561.86	4,815.55
Components of cash and cash equivalents		
Reconciliation of cash and cash equivalents:		
Cash in hand	0.77	4.18
Balances with banks		
(i) In current accounts	106.62	180.69
(ii) Bank deposits	2,436.00	4,627.00
(iii) Others (staff imprest)	18.47	3.68
Net cash and cash equivalents	2,561.86	4,815.55



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Notes to Financial Results for the quarter and year ended March 31, 2022

- 1 These results have been prepared in accordance with the recognition and measurement principles as laid down in the Indian Accounting Standards (referred to as "Ind AS1 prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time. The above results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on May 24, 2022.
- 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. Hence, the disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 in terms of Ind AS 108 "Operating Segments" are not applicable.
- 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 approval of NCLT on September 17, 2021 and filing of order received from NCLT in Form INC-28 with Registrar of Companies (ROC) on October 14, 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 year ended March 31, 2021 and quarter ended December 31, 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 has issued 3,481 shares on November 12, 2021 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 and quarter ended March 31, 2021 have been restated to give effect to amalgamation. Consequent to this restatement, the profit after tax for the year ended March 31, 2021 is higher by Rs. 2,573.78 Lacs and for the quarter ended March 31, 2021 is higher by Rs. 3,095.33 Lacs respectively.

- 4 During the previous year, Directorate General of Goods and Services Tax (GST) Intelligence (DGGI) carried out search proceedings at various premises of the Company. Pursuant to this, Company has deposited Rs. 2,741.03 Lacs under protest towards GST liability which may arise on account of issue regarding classification of one of the item sold by the Company. The Company has filed writ petition before Hon'ble Delhi High Court challenging the action of DGGI and seeking refund of amount deposited by the Company.

Subsequently, The Ministry of Finance, Department of Revenue vide its Circular No. 163/19/2021-GST dated October 06, 2021 has provided clarification on the classification of the said item. The Company has started collecting GST on the said item from its customers w.e.f October 11, 2021 and depositing it under protest. Basis the legal advice obtained by the management, that the circular issued by the government is ultra vires the provisions of the GST laws, the Company has filed writ petition challenging the constitutional validity of imposing GST on the said item before Hon'ble Delhi High Court.

Proceedings in respect of above matters are in progress before Hon'ble Delhi High Court and on the basis of legal opinion obtained, the Management is confident that ultimately no liability will devolve on the Company and it will be able to get the refund from the Department.



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- 5 The Company has ongoing proceedings under Haryana Value Added Tax Act, 2003 in respect of Value Added Tax liability arising on account of issue regarding classification of one of the item sold by the Company for the year 2010-11 to 2016-17 in Samalkha involving amount of Rs. 735.20 lacs and for the year 2010-11 to 2012-13 in Hisar involving amount of Rs. 325.57 lacs. The Company has filed appeals against the demand orders received in respect of these proceedings, which are pending for disposal at various forums.
- 6 The figures for the quarter ended March 31, 2022 and the corresponding quarter ended in the previous year, as reported in these financial results, are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of third quarter of the relevant financial year. Also, the figures upto the end of the third quarter had only been reviewed and not subjected to audit (also refer note 3 for restated figures for quarter and year ended March 31, 2021 on account of amalgamation).
- 7 For the financial year 2021-22, the Board of Directors recommended a final dividend of Rs. 3 per equity share (par value of Rs. 10 each). This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Company. The dividend will be paid on the 5th working day from the date of declaration of the final dividend to the shareholders. The book closure date for the purpose of the payment of final dividend and AGM date will be announced in due course.

Place: New Delhi
Date : May 24, 2022



For Globus Spirits Limited

Ajay K. Swarup
Ajay K. Swarup
Managing Director



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