



Globus Spirits

GLOBUS SPIRITS LIMITED

(Originally incorporated as Globus Agronics Limited on February 16, 1993 with the Registrar of Companies, Delhi & Haryana, and obtained the Certificate of Commencement of Business on March 19, 1993. The name of the Company was subsequently changed to Globus Spirits Limited vide a fresh Certificate of Incorporation obtained on January 23, 2007 from the Registrar of Companies, Delhi and Haryana at New Delhi. (For details of changes in the Registered Office of the Company, please refer to page no. 9 of this Red Herring Prospectus))

Registered Office: C-631, New Friends Colony, New Delhi - 110065, India; Tel.: +91 11 26928130, Fax: +91 11 26822805

Corporate Office: D-26, Sector 3, Noida - 201 301, Uttar Pradesh, India; Tel.: +91 120 4245442, Telefax: +91 120 4245443

Contact Person/Compliance Officer: Mr. Santosh Kumar Pattanayak, Company Secretary; **E-mail:** ipo@globusgroup.in; **Website:** www.globusspirits.com

INITIAL PUBLIC ISSUE OF 75,00,000 EQUITY SHARES OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●] (INCLUDING SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING TO RS. [●] LAKHS (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE ISSUE COMPRISES A RESERVATION FOR ELIGIBLE EMPLOYEES OF UPTO 50,000 EQUITY SHARES OF RS. 10/- EACH (THE "EMPLOYEE RESERVATION PORTION") AGGREGATING TO RS. [●] LAKHS AND THE NET ISSUE TO THE PUBLIC OF 74,50,000 EQUITY SHARES OF RS. 10/- EACH (THE "NET ISSUE") AGGREGATING TO RS. [●] LAKHS.

THE ISSUE WILL CONSTITUTE 37.96 % OF THE FULLY DILUTED POST-ISSUE PAID-UP CAPITAL OF THE COMPANY. THE NET ISSUE TO PUBLIC WOULD CONSTITUTE 37.71% OF THE FULLY DILUTED POST ISSUE PAID UP CAPITAL OF THE COMPANY.

PRICE BAND: RS. 90 TO RS. 100 PER EQUITY SHARE OF FACE VALUE OF RS. 10/- EACH. THE FACE VALUE OF THE EQUITY SHARE IS RS. 10/- EACH. THE FLOOR PRICE IS 9.0 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 10.0 TIMES OF THE FACE VALUE

In case of revision in the Price Band, the Bidding/Issue Period shall be extended for three additional working days after such revision, subject to the Bidding/Issue period not exceeding ten working days. Any revision in the price band, and the revised Bid/Issue period, if applicable, will be widely disseminated by notification to Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited (NSE) by issuing a press release and also by indicating the change on the website of the Book Running Lead Managers (BRLMs) and at the terminals of the Syndicate Members.

The Issue is being made through the 100% Book Building Process wherein up to 50% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers (QIBs), out of which 5% will be available for allocation on a proportionate basis to Mutual Funds. The remaining QIB portion shall be available for allotment on a proportionate basis to QIB bidders including Mutual Funds, subject to valid bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue would be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue would be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of the Company, there has been no formal market for the Equity Shares of the Company. **The face value of the shares is Rs. 10/- and the Issue Price is [●] times of the face value.** The Issue Price (as determined by the Company, in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares by way of book building) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of the Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of the Issuer Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (SEBI), nor does the SEBI guarantee the accuracy or adequacy of the Red Herring Prospectus. **Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page no. xi of the Red Herring Prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY



The Company, having made all reasonable inquiries, accepts responsibility for, and confirms that this Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue; that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the Bombay Stock Exchange Limited (BSE), the Designated Stock Exchange; and the National Stock Exchange of India Ltd. (NSE). The In-principle approvals from BSE and NSE have been received for listing of the Equity Shares pursuant to their letter(s) dated 13.01.2009 and 28.01.2009 respectively.

IPO GRADING

CARE has assigned "CARE IPO Grade 3" to the proposed public issue of the Company indicating Average Fundamentals vide its letter dated August 10, 2009. For more information on IPO Grading and CARE's disclaimer, refer to page no. 15 of the Red Herring Prospectus.

BOOK RUNNING LEAD MANAGERS TO THE ISSUE		REGISTRAR TO THE ISSUE
 <p>SREI CAPITAL MARKETS LIMITED 'Vishwakarma', 86C, Topsia Road (South) Kolkata - 700 046 West Bengal, India Tel : +91 33 3987 3845 / 3810 Fax: +91 33 3987 3861 E-Mail: capital@srei.com Investors Grievance E-mail: scmlinvestors@srei.com Website: www.srei.com SEBI Regn. No.: INM 000003762</p>	<p>KEYNOTE CORPORATE SERVICES LIMITED KEYNOTE CORPORATE SERVICES LIMITED 4th Floor, Balmer Lawrie Building, 5, J.N. Heredia Marg, Ballard Estate, Mumbai -400 001 Tel: +91 22 3026 6000-3 Fax: +91 22 2269 4323 Email: mbd@keynoteindia.net Investors Grievance E-mail: mbd@keynoteindia.net Website: www.keynoteindia.net SEBI Registration No: INM 000003606</p>	 <p>LINK INTIME INDIA PRIVATE LIMITED C-13, Pannalal Silk Mills Compound, LBS Marg Bhandup (West) Mumbai - 400 078 Tel : +91 22 2596 0320 Fax: +91 22 2596 0329 E-mail: gsl.ipo@intimespectrum.com Website: www.linkintime.co.in SEBI Regn. No.: INR 000004058</p>
BID/ISSUE PROGRAMME		
BID/ISSUE OPENS ON : MONDAY AUGUST 31, 2009		BID/ISSUE CLOSES ON: WEDNESDAY, SEPTEMBER 2, 2009

RED HERRING PROSPECTUS

Please read Section 60B of the Companies Act, 1956

Dated August 24, 2009

100% Book Built Issue

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SECTION I

DEFINITIONS AND ABBREVIATIONS

Conventional / General Terms

Term	Description
"Globus Spirits Limited" or "Globus " or "the Company" or "the Issuer" or "GSL"	Unless the context otherwise requires, refers to, Globus Spirits Limited, a public limited company incorporated under the Companies Act, 1956, and having its registered office at C-631, New Friends Colony, New Delhi – 110 065, India
Promoter(s)	Shall mean jointly M/s Chand Bagh Investments Limited and Mr. Ajay Kumar Swarup.
Promoter Group	Shall mean <ul style="list-style-type: none">• Mr. Madhav Kumar Swarup• Mrs. Saroj Rani Swarup• Mrs. Madhavi Swarup• Mr. Sekhar Swarup• Ms. Devika Swarup• Mr. Jwala Prasad Khaitan• Mrs. Urmila Khaitan• Mr. Anurag Khaitan• Associated Distilleries Limited• Northern India Alcohol Sales Private Limited• Rajasthan Distilleries Private Limited• Biotech India Limited• Vitthal Properties Private Limited• Jaroda Plantations Private Limited• Globus Infosys Private Limited• Rambagh Estates Private Limited• Shaktiman Properties Private Limited• Sidhi Estates Private Limited• Ridhi Estates Private Limited• Globus Spirits U.K. Limited and• Astral Capitals Private Limited
You, Your, Your's	Unless the context otherwise requires, refers to, investors

Issue Related Terms

Term	Description
Allotment/Allotted /Allocated	Unless the context otherwise requires, the Issue/allotment of Equity Shares of the Company, pursuant to the Public Issue, to the successful Bidders
Allottee	The successful Bidder to whom the Equity Shares are being/have been allotted, pursuant to the Issue
Articles / Articles of Association/AoA	The Articles of Association of Globus Spirits Limited
Application Supported by Blocked Amount (ASBA)	Means an application for subscribing to an issue containing an authorization to block the application money in a bank account
ASBA Investor	means an Investor who intends to apply through ASBA process and <ul style="list-style-type: none">a. is a "Resident Retail Individual Investor";b. is bidding at cut-off, with single bid option as to the number of shares bid for;c. is applying through blocking of funds in a bank account with the SCSB;d. has agreed not to revise his/her bid;e. is not bidding under any of the reserved categories
ASBA Form	Bid cum Application form for Resident Retail Individual Investor intending to subscribe through ASBA
Auditors	The statutory auditors of the Company, being M/s B.M.

	Chatrath & Co., Chartered Accountants, D-26, Sector 3, Noida – 201301, Uttar Pradesh
Banker(s) to the Issue	ICICI Bank Limited, HDFC Bank Limited, Axis Bank Limited and ABN AMRO Bank Limited
Bid	An indication to make an offer made by a prospective investor during the Bidding/Issue Period to subscribe to the Equity Shares of the Company at a price within the Price Band, including all revisions and modifications thereto
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue
Bid/Issue Closing Date	The date after which the Syndicate Members to the Issue will not accept any Bids for the Issue; which shall be notified in an English language national newspaper, and a Hindi language national newspaper, both with wide circulation
Bid / Issue Opening Date	The date on which the Syndicate Members to the Issue shall start accepting Bids for the Issue; which shall be notified in an English national newspaper, and a Hindi national newspaper, both with wide circulation
Bid-cum-Application Form	The form in terms of which the Bidder shall make an offer to subscribe to/purchase the Equity Shares of the Company and which will be considered as the application for issue of the Equity Shares pursuant to the terms of this Red Herring Prospectus
Bidder(s)	Any prospective investor who makes a Bid for Equity Shares in terms of this Red Herring Prospectus and the Bid-cum-Application form through the Book Building Process
Bidding / Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which period prospective investors can submit their Bids
Board/Board of Directors	The Board of Directors of Globus Spirits Limited or a committee thereof constituted
Book Building Process / Method	Book building process as provided under Chapter XI of the SEBI Guidelines, in terms of which this Issue is being made
BRLMs/Book Running Lead Managers	Book Running Lead Manager to the Issue, in this case being Srei Capital Markets Limited and Keynote Corporate Services Limited
BSE	Bombay Stock Exchange Limited
Companies Act/ The Act	The Companies Act, 1956, as amended from time to time
CAN / Confirmation of Allocation Note	Means the note, advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process
Cap Price	The higher end of the Price Band, Rs. 100 per equity share in the Issue, above which the Issue Price will not be finalized and above which no bids will be accepted
CARE	Credit Analysis and Research Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and with its office at 3 rd Floor, Prasad Chambers, (Shagun Mall Building), 10A Shakespeare Sarani, Kolkata – 700 071
Cut-off / Cut-off Price	The Issue Price finalised by the Company in consultation with the BRLMs. Only Retail Individual Bidders and Employees applying under Employee Reservation Portion who are applying for a maximum bid amount not exceeding Rs.1,00,000/- are entitled to Bid at the Cut-off Price, for a bid amount not exceeding Rs. 1,00,000/-. QIBs and Non Institutional Bidders are not entitled to Bid at the Cut-off Price. A Bid submitted at Cut-off Price is a valid Bid at all price levels within the Price Band
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository/Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended

	from time to time
Depository Participant/DP	A depository participant as defined under the Depositories Act.
Designated Date	The date on which Escrow Collection Banks transfer the funds from the Escrow Account to the Public Issue Account, after the Prospectus is filed with the ROC, following which the Board of Directors shall allot the Equity Shares to successful Bidders/Allottees
Designated Stock Exchange	The Bombay Stock Exchange Limited
Director(s)	Director(s) of Globus Spirits Limited, unless otherwise specified
Draft Red Herring Prospectus/ DRHP	The Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, 1956 and SEBI Guidelines, which does not have complete particulars of the price at which the Equity Shares are being offered and the size of the issue.
Eligible Employees	Means a permanent employee or the director(s) of the Company who is an Indian national based in India and is physically present in India on the date of submission of the Bid-cum-Application Form. In addition, such person should be an employee or director(s) during the period commencing from the date of filing of the Red Herring Prospectus with RoC up to the Bid/Issue closing date. Promoter directors are not eligible to be treated as eligible employees
Employee Reservation Portion	The portion of the Issue comprising upto 50,000 Equity Shares available for Allocation to Eligible Employees.
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques/drafts in respect of the Bid amount/margin money, when submitting a Bid
Escrow Agreement	Agreement entered into amongst the Company, the Registrar, the Escrow Collection Bank(s) and the BRLMs for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Bankers to the Issue and with whom the Escrow Account will be opened, in this Issue
Equity Shares	Equity Shares of the Company of face value of Rs. 10/- each, unless otherwise specified in the context thereof
FII(s)/Foreign Institutional Investor	Foreign Institutional Investor [as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995] registered with SEBI under applicable laws in India
First Bidder	The bidder whose name appears first in the Bid cum Application Form or Revision Form
Floor Price	The lower end of the Price Band, Rs. 90 per equity share in the Issue. below which the Issue Price will not be finalised and below which no bids will be accepted
Fresh Issue/ Issue/ Public Issue/ Offer	Public Issue of 75,00,000 Equity Shares of Rs. 10/- each for cash at the Issue Price of Rs. [●] aggregating to Rs. [●] lakhs by the Company in terms of this Red Herring Prospectus
FVCIs	Foreign Venture Capital Investors, as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000 as amended
Income-tax Act	The Income Tax Act, 1961, as amended from time to time
Issue Opening Date	The date on which the Issue opens for subscription (i.e. August 31, 2009)
Issue Closing Date	The date on which the Issue closes for subscription (i.e. September 2, 2009)
Issue Period	The period between the Issue Opening Date and Issue Closing Date and includes both the dates.
Issue Price	The final price at which Equity Shares will be allotted in the Issue, as determined by the Company in consultation with the BRLMs, on the pricing date
Issuer	Globus Spirits Limited
Keynote	Keynote Corporate Services Limited, a public limited company

	incorporated under the provisions of the Companies Act, 1956 and, with its registered office at 4 th Floor, Balmer Lawrie Building, 5, J.N. Heredia Marg, Ballard Estate, Mumbai -400001
Margin Amount	The amount paid by the bidder at the time of submission of his/her bid, which may be 10% or 100% of the Bid Amount, as applicable
Memorandum of Association/Memorandum/ MOA	The Memorandum of Association of Globus Spirits Limited
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the QIB Portion or 1,86,250 Equity Shares (assuming the QIB Portion is for 50% of the Net Issue) available for allocation to Mutual Funds only, out of the QIB Portion
Net Issue/Net Issue to Public/Net Offer to Public	The Issue less the Employee Reservation Portion i.e. 74,50,000 Equity Shares of Rs.10/- each
Non-Institutional Bidders	All Bidders that are neither Qualified Institutional Buyers nor Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 1,00,000
Non-Institutional Portion	The portion of the Net Issue being 11,17,500 Equity Shares of Rs.10/- each available for allocation to Non-Institutional Bidders
NSE	National Stock Exchange of India Limited
OCB/Overseas Corporate Body	Means and includes an entity defined in Clause (xi) of Regulation 2 of the Foreign Exchange Management (Deposit) Regulations, 2000 and which was in existence on the date of commencement of the withdrawal of general permission to Overseas Body Corporate Regulations, 2003 and immediate prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Foreign Exchange Management (Deposit) Regulations, 2000
Pay-in-Date	Bid/Issue Closing Date or the last date specified in the CAN sent to Bidders, as applicable
Price Band	Being the price band of minimum price (floor price) of Rs. 90 and the maximum price (cap price) of Rs. 100 per Equity Share, including revisions thereof
Pay-in-Period	<ul style="list-style-type: none"> i. With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the Bid/Issue Closing Date, and ii. With respect to QIBs or Bidders whose Margin Amount is less than 100% of the Bid/Issue Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date, as specified in the CAN
Pricing Date	The date on which the Company in consultation with the BRLMs finalises the Issue Price
Prospectus	The Prospectus, filed with the RoC containing, inter-alia, the Issue Price that is determined at the end of the Book Building process, the size of the issue and certain other information
Public Issue Account	In accordance with Section 73 of the Companies Act, 1956, an account opened with the Bankers to the Issue to receive monies from the Escrow Account(s) for the Issue on the Designated Date
Qualified Institutional Buyers/QIBs	Public Financial Institutions as defined in Section 4A of the Companies Act, 1956 Foreign Institutional Investor and sub account registered with SEBI other than a sub account which is a foreign corporate or foreign individual, Scheduled Commercial Banks, Mutual Funds registered with SEBI, Multilateral and Bilateral Development Financial Institutions, Venture Capital Funds registered with SEBI, Foreign Venture

	Capital Investors registered with SEBI, State Industrial Development Corporations, Insurance Companies registered with the Insurance Regulatory and Development Authority (IRDA), Provident Funds with minimum corpus of Rs. 2500 lakhs, Pension Funds with a minimum corpus of Rs. 2500 lakhs and National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India.
QIB Portion	The portion of the Net Issue being 37,25,000 Equity Shares of Rs.10 /- each aggregating to Rs. [•] lacs available for allocation to QIB Bidder(s)
Registrar/Registrar to the Issue	Being the Registrar appointed for the Issue, in this case Link Intime India Private Limited having its registered office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078
Retail Individual Bidders	Individual Bidders (including HUFs and NRIs) who have bid for Equity Shares for an amount less than or equal to Rs. 1, 00,000/-
Retail Portion	The portion of the Net Issue being 26,07,500 Equity Shares of Rs. 10 each available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders other than ASBA investors to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s)
RHP/Red Herring Prospectus	Means the Offer Document issued in accordance with the SEBI Guidelines, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the issue. The Red Herring Prospectus will be filed with the RoC in terms of Section 60B of the Companies Act, 1956 at least three days before the Bid/Issue Opening Date and will become a Prospectus after filing with the RoC after pricing date and allocation
ROC/Registrar of Companies	Registrar of Companies, Delhi & Haryana situated at IFCI Tower, 4th Floor, 61, Nehru Place, New Delhi - 110 019
SCML/Srei	Srei Capital Markets Limited a public limited company incorporated under the provisions of the Companies Act, 1956 and, with its registered office at "Vishwakarma", 86 C, Topsia Road, (South), Kolkata-700 046
Self Certified Syndicate Bank/SCSB	Means a Bank which offers the facility of applying through the Applications Supported by Blocked Amount (ASBA) process. The list of the said banks will be displayed by SEBI on its website.
Stock Exchanges	BSE and NSE
Syndicate	BRLMs and Syndicate Member(s)
Syndicate Agreement	The agreement to be entered into among the Company, BRLMs and Syndicate Member(s) in relation to the collection of Bids in this Issue
Syndicate Members	AUM Capital Market Private Limited and Keynote Capitals Limited
TRS or Transaction Registration Slip or Order Confirmation Note	The slip or document issued by the Syndicate Member to the Bidder as proof of registration of the Bid
Underwriters	[•]
Underwriting Agreement	The agreement between the Underwriters and the Company before filing of Prospectus with the ROC.
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996 as amended from time to time

Company/Industry Related Terms/Technical Terms

Term	Description
AIDA	All India Distillers Association
BII	Bottled in India
BIO	Bottled in Origin
BL	Bulk Litres
BOD	Biological Oxygen Demand
CDM	Clean Development Mechanism
COD	Chemical Oxygen Demand
CL	Country Liquor
CM2	Square Centimetre
CO2	Carbon Dioxide
CSD	Canteen Stores Department
Cum	Cubic Meter
DDGS	Distillers Dried Grain Slops
DG	Diesel Generator
DM	Demineralised Water
ENA	Extra Neutral Alcohol
E & Y	Ernst & Young Private Limited
FRP	Fibre Reinforced Plastic
HDPE	High Density Polyethylene
HP	High pressure
IMFL	Indian Made Foreign Liquor
KL	Kilo Litres
KLPD	Kilo Litres Per Day
KG	Kilogram
KV	Kilo Volt
KW	Kilo Watt
MT	Metric Tonne
MTPA	Metric Ton Per Annum
MVA	Mega Volt Ampere
MW	Mega Watt (1000 kilo watts)
1 Metric Ton	1000 kilograms
1 unit of power	1 kilo watt hour/1000 watt hour
QTL	Quintal; equivalent to 100 Kilograms
PLL	Potable Liquor Licence
RCC	Reinforced Cement Concrete
RO	Reverse Osmosis
RS	Rectified Spirit
RTD	Ready to Drink
SS	Suspended Solids
TPD	Tonnes Per Day
TPH	Tonnes Per Hour
UNFCCC	United Nations Framework Convention on Climate Change
v/v	Volume by Volume

Abbreviations

Abbreviation	Full Form
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
Asst.	Assistant
AY	Assessment Year
BIFR	Board of Industrial and Financial Reconstruction
Bn	Billion
CAGR	Compound Annual Growth Rate
CCPS	Convertible Cumulative Preference Shares
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CLB	Company Law Board
CRM	Centre De Recherché Metallurgiques, Belgium
CST	Central Sales Tax
Delhi High Court	High Court of Judicature at Delhi
DIP Guidelines	SEBI (Disclosure & Investor Protection) Guidelines, 2000, as amended
DP	Depository Participant
Dy.	Deputy
EBIT	Earnings before Interest and Tax.
EBITDA	Earnings before Interest, Tax, depreciation and amortization.
ECB	External Commercial Borrowing
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
ESI	Employee State Insurance
ETP	Effluent Treatment Plant
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed thereunder.
FI	Financial Institution
FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995), registered with SEBI under applicable laws in India.
FIPB	Foreign Investment Promotion Board
FY	Financial year/ Fiscal year
GAAP	Generally Accepted Accounting Principles
GIR	General Index Registry Number
GoI	Government of India
HNI	High Networth Individual
HUF	Hindu Undivided Family
OBC	Oriental Bank of Commerce
ICAI	The Institute of Chartered Accountants of India
IEC	Importer Exporter Code
IPO	Initial Public Issue
I T Act	The Income Tax Act, 1961, as amended
LC	Letters of credit
LIBOR	London Interbank Offered Rate
MOU	Memorandum of Understanding
Mn	Million
N.A.	Not Applicable
NAV	Net Asset Value
NCT	National Capital Territory
NEFT	National Electronic Funds Transfer
NOC	No Objection Certificate

NRE Account	Non Resident External Account
NRI	Non-Resident Indian, as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
P.A./p.a./pa	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit after Tax
PBDT	Profit Before Depreciation and Tax
PBIDT	Profit Before Interest, Depreciation and Tax
PBT	Profit Before Tax
PF	Provident Fund
PLR	Prime Lending Rate
PNB	Punjab National Bank
PSU	Public Sector Undertaking
RBI	The Reserve Bank of India
ROC	Registrar of Companies, Delhi & Haryana, IFCI Tower, 4 th Floor, 61, Nehru Place, New Delhi 110 019
RoNW	Return on Net Worth
Rs./ Rupees/INR	Indian Rupees
RTGS	Real Time Gross Settlement
SBI	State Bank of India
SCSB	Self Certified Syndicate Bank
SCRA	Securities Contracts (Regulation) Act, 1956 as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as amended
SWOT	Strengths Weaknesses Opportunities and Threats
TAN	Tax Account Number
UIN	Unique Identification Number
USD/US\$/	United States Dollar
WTD	Whole time Director
WDV	Written Down Value

SECTION II

CERTAIN CONVENTIONS; USE OF MARKET DATA

Unless stated otherwise, the financial data in this Red Herring Prospectus is derived from the restated financial statements for the years ended March 31, 2005, 2006, 2007, 2008 and 2009 and period ended June 30, 2009 prepared in accordance with Indian GAAP, the Companies Act, 1956 and restated in accordance with SEBI Guidelines, as stated in the report of the Statutory Auditors of the Company, M/s B.M. Chatrath & Co., Chartered Accountants beginning from page no. 150 of this Red Herring Prospectus. The fiscal year of the Company commences on April 1 and ends on March 31.

In this Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word "Lakh" or "Lac" means "one hundred thousand" and the word "million" means "ten lakh" and the word "Crore" means "ten million". In this Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Throughout this Red Herring Prospectus, all figures have been expressed in Lakhs, unless otherwise stated. All references to "India" contained in this Red Herring Prospectus are to the Republic of India. All references to "Rupees" or "Rs." Or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to US\$, USD, or US Dollars are to the United States Dollars, the Official currency of the United States of America. All references to £ or Pounds are to the United Kingdom Pounds, the Official currency of the United Kingdom.

For additional definitions used in this Red Herring Prospectus, see the section "Definitions and Abbreviations" beginning from on page no. i of this Red Herring Prospectus. In the section entitled "Main Provisions of the Articles of Association of the Company" on page no. 277 of this Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association of the Company. Market and Industry data used throughout this Red Herring Prospectus has been obtained from industry publications and other authenticated published data available in the public domain and internal Company reports. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Company believes the industry data used in this Red Herring Prospectus to be reliable, it has not been independently verified. Similarly, internal Company reports, while believed by the Company to be reliable, have not been verified by any independent sources.

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain forward-looking statements. These forward looking statements can be generally identified by words or phrases such as "will", "aim", "may", "shall", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions.

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with the Company's expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which the Company has its businesses or proposes to have its business, and the Company's ability to respond to them, its ability to successfully implement its strategy, its growth and expansion, its exposure to market risks, competitive landscape, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated fluctuations in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in the Company's industries.

Important factors that could cause actual results to differ materially from the Company's expectations include, among others:

- General economic and business conditions;

- Company's ability to successfully implement its strategy, its growth and expansion plans, and technology initiatives;
- Factors affecting the Distillery and/or Alcohol industry;
- Increasing competition in the Distillery and/or Alcohol industry;
- Increase in labour cost, raw materials price, cost of plant & machinery and insurance premia;
- Inadequate availability of Raw Materials;
- Manufacturers' defects or mechanical problems with Company's plant & machineries or incidents caused by human error;
- Ability to retain management team and skilled personnel;
- Changes in the value of the Indian Rupee and other currencies;
- Cyclical or seasonal fluctuations in the operating results;
- Amount that the Company is able to realize from the clients;
- Potential mergers, acquisitions or restructurings;
- Changes in laws and regulations that apply to the Distillery and/or Alcohol industry;
- Changes in fiscal, economic or political conditions in India;
- Social or civil unrest or hostilities with neighbouring countries or acts of international terrorism;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India.

For further discussion of factors that could cause the Company's actual results to differ, please refer to the section titled "Risk Factors", "Business Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page nos. xi, 73, 191 respectively, of this Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither the Company nor the members of the Syndicate, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the Company and the Book Running Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

RISK FACTORS

An investment in the company's Equity Shares involves a high degree of risk. One should carefully consider all of the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment decision. Risks have been quantified, wherever possible. If any of the following risks actually occur, the business, financial condition and results of operations could suffer, the trading price of the Equity Shares may decline and you may lose all or part of your investment.

Unless specified or quantified in the relevant risk factors below, the Company is not in a position to quantify the financial or other implications of any of the risks described in this section

Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

1. Some events may not be material individually but may be found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impacts in future.

A. INTERNAL TO THE COMPANY

1. Constraint in the availability of raw material viz., Molasses and Grain may affect the Company's operations and in turn the profitability of the Company

Alcohol industry being a raw material intensive industry, the Company is exposed to possible unpredictability in the supply of raw materials, be it molasses or grain. Disruption in the supply of raw material may lead to hampering of the production process flow. Uncertainty over the availability of raw materials such as molasses, grain and other sources such as water, power, skilled manpower etc may also affect the Company's operations and in turn the future profitability of the Company, which cannot be quantified.

Management Perception

The main raw materials are Molasses and Grain. Both the raw materials are easily available in the vicinity of the plant site. The Company's production facilities can utilize both molasses and/or grain as raw material, thus mitigating the dependence on any one specific raw material.

2. Rise in input costs, particularly Raw Materials, may affect the profitability of the Company

The Company is mainly engaged in manufacture of Rectified Spirit, Extra-Neutral Alcohol, Country Liquor and IMFL products, and the main raw material for producing the above is either molasses or grain or both. Molasses is a by-product of the Sugar industry and is dependant on crop availability. In the event of a shortfall in sugarcane production or other grain, on account of drought during any season, there could be a resultant increase in the prices of molasses and grain, which could affect the future profitability of the Company.

Management Perception

Increase in prices of molasses and/or grain, if at all, is purely seasonal in nature and the prices settle down with each new sugarcane/grain crop season. In the event, there is a fall in supply of molasses, the Company, in order to tide over the situation, may import molasses at competitive prices from neighbouring states or countries. Further the production facilities of the Company are capable of handling alternative raw materials which will derisk any production bottlenecks.

The Company constantly endeavours to procure raw materials at competitive prices on account of its long-term association with its suppliers and constantly developing new sources.

3. Change in Technology and trends in the industry may affect Company's ability to compete

Any failure to keep abreast of the latest trends in the IMFL industry may adversely affect the competitiveness and ability of the Company to compete with newer generation products.

Management Perception

The Company is in the liquor business for about a decade and a half, and has the requisite experience and ability to adapt to newer generation products and technology. The Company is well aware of the development of market description, consumer preferences, competition, regulations etc. The current project is in line with the Company's constant endeavour to keep itself abreast of latest technological advances and systems.

4. The Company's sustained growth depends on its ability to attract and retain skilled personnel. Failure of the Company to attract and retain skilled personnel could adversely affect the Company's growth prospects, performance and results.

Management Perception

The Company has a professional set-up and a competent human resources division. The Company constantly attempts to devise employee-friendly policies to enable a sound human resource policy to take shape and retain its key management personnel and talent. Some of the key management personnel have been with the organization for quite some time. The Company constantly endeavours to take adequate care of its employees by providing various facilities. The Company does not foresee any major problem in recruiting fresh talent and also retaining its existing key personnel.

5. One of the objects of this IPO is acquisition of Canteen Stores Department (CSD) registered IMFL Brands aggregating to Rs. 300 lakhs. This acquisition cost of Rs. 300 lakhs for the Canteen Stores Department (CSD) registered IMFL Brands is not based on any independent/expert valuation; but is based on internal estimates of the Company.

Since there is no independent valuation of the brands proposed to be acquired, it may result in the Company's inability to negotiate a brand of choice as it may cost more than the amount raised, or alternatively the Company may possibly pay more than the actual value of the brand on account of lack of expert valuation.

Management Perception

Most of the brands being supplied to CSD are in the hands of established players. The Company is already negotiating with certain leading manufacturers for purchase of a CSD registered brand. In this regard, the Company has made progress in its discussions with M/s Alcobrew Distilleries India Pvt. Ltd.

6. Competence of the Promoters in handling Project of this size is yet to be tested

The cost of the project has been financially appraised by the State Bank of India. The project cost is substantial in relation to its current size of operations. Although the promoters have experience in the Alcohol industry, their competence in handling a project of this magnitude remains to be demonstrated. An equity investor is therefore faced with an uncertainty of performance by the management.

Management Perception

The Company has drawn out a business plan for the activities to be pursued in the alcohol industry. The promoter of the Company has considerable experience in the alcohol industry for over 24 years. The Company has appointed senior and experienced professionals who have the requisite experience of setting up similar facilities in the past.

Moreover, the promoter views the present growth prospects in the alcohol sector as an opportunity to enlarge the scale of operations of the Company.

Please refer page no. 145 and 142 of this Red Herring Prospectus for detailed profile of the Promoters and experience of Key Managerial Personnel respectively.

7. The expansion plan of the company is partially funded from this IPO. Delay in raising funds or under-subscription/no-subscription from IPO may result in difficulty in implementation of Project, leading to time and cost overruns.

Management Perception

State Bank of India has sanctioned a term loan Rs. 1200 lakhs for the proposed project. The Company is taking all necessary steps to bring the issue in line with the schedule of implementation framed for the project. Please refer to Internal Risk Factor 9 regarding time overrun.

The management will ensure that there is no further failure or delay in terms of meeting the deadlines for Trial Runs and Commercial production and operations. It is however confident of making alternate funding arrangements through a suitable mix of secured/unsecured loans and contribution from the promoters, should there be any eventuality such as an unforeseen delay in or failure of the issue.

8. Further equity offerings may lead to dilution of equity and impact its market price

The Company may require further infusion of funds to satisfy its capital needs and future growth plans, which it may not be able to procure. Any future equity offerings by the Company may lead to dilution of equity and may affect the market price of its Equity Shares.

Management Perception

In case the Company decides to raise additional funds through the issuance of equity, the same would be done for further value creation for the shareholders of the Company and after taking adequate consent from them.

9. The Company is yet to place orders amounting to Rs.1368 lakhs, being 27.13% of the total cost of Plant and Machinery required for the proposed project which may result in cost overrun and consequently the profitability of the Company

Management Perception

The Company has already identified the machineries to be installed and has floated enquiries for all the equipments, plant and machineries, and the quotations from various parties have already been received. Since the Company has already set up similar facilities earlier, it has an advantage in identifying and selecting the right supplier at competitive rates. The Company has ordered machineries/equipments worth Rs. 3674 lakhs constituting 72.87% of the total machineries required. The Company is yet to place order for the balance machines worth Rs. 1368 lakhs constituting 27.13% of the total machines. The costs for the same have already been firmed up and the Company proposes to order for the machines in due course.

The Company has, as on July 31, 2009, spent a total sum of Rs. 1716.96 lakhs towards the project. The above expenditure has been funded from internal accruals of the Company.

10. The Company has experienced negative net Cash Flow from activities in the years 2004-05 and 2007-08.

The Company has reported a negative net cash flow from activities as detailed below:

(Rs. in lakhs)		
Year	2004-05	2007-08
Net Change in Cash and cash Equivalents	-15.92	-6.84

The Company has reported a net negative cash flow from activities in the year 2004-05 and 2007-08. The negative net cash flow during these years was due largely from negative cash flows from investing activities in these years.

- 11. Trade Marks for the Company's product brands are under the process of Registration as on date. The Company does not have, as on date, an effective system, to protect its existing intellectual property rights. The Company may not be able to obtain timely injunctive or equitable relief to protect its intellectual property. If it fails to protect its material intellectual property rights, it may have material adverse effect on its business. Also, the ineffective protection and enforcement of its intellectual property rights may encourage some unauthorised parties to infringe upon its intellectual property rights. This may also have material adverse effect on its business.**

Management Perception

The Company makes continuous endeavour to innovate and develop intellectual property rights and makes applications for the registration of these rights, details of which can be referred to at page no. 116 of this Red Herring Prospectus. So, at every point of time, several applications remain pending for registration. The Company is in the process of devising a stronger system for effective protection of its intellectual property rights. Such protection shall be more important as soon as it procures some existing well known marks/brands which are also one of the objectives of this IPO.

Also, the Company neither uses any patented process nor produces any product which is protected by any patent. It has also not sought any patent protection for any of its products or processes. The Company has not undertaken any Research & Development activities to develop any product or process which may be a subject matter of patent protection in future. The Company consequently does not have any risk on account of opening up of patent regime.

- 12. The Company's dependence on its promoters is tremendous, and any inability on the part of the promoters to contribute to the growth and business of the Company may affect its performance.**

Management Perception

The Company is dependent on the experience and efforts of its promoters, as is applicable to any other company/industry. However, the Company has been in this business for about a decade and a half. Generations of the promoters' family have been associated with the alcohol industry, its business, and critical functions such as development of new products, marketing, and other operations of the Company. The Company also has a qualified team of marketing executives, finance professionals and other professionals who are involved in the day-to-day operations of the Company.

- 13. The Company's products lack adequate brand presence and awareness and also have limited geographical presence across the country. Further, the Company is dependent on a single customer for bottling of IMFL products.**

The Company's products and brand presence are limited to a few states and are yet to have a national reach. The Company's failure or inability to accomplish a national presence may impede its growth and business prospects as compared to established players.

Management Perception

The Company already has branded products in its Country Liquor segment and the IMFL segment and its market share is competitive. At present, the Company has presence in the states of Haryana, Rajasthan, Delhi, Chandigarh, Uttar Pradesh, Kerala, Andhra Pradesh and Karnataka and has plans to increase the spread of its brand. Through bottling of BDA Private Limited's (BDA's) IMFL products such as Officer's Choice Prestige Whisky, the awareness level of Company's name in the market has improved. The Company is making efforts to acquire Canteen Stores Department (CSD) registered brand as it intends supplying to the

Defence Services. Thus, the brand will have the requisite presence in the CSD market as well. The Company plans to simultaneously make its presence felt in the civil market too.

14. The Company lacks adequate distribution network for its products in the IMFL segment

Inability to create a credible distribution channel will hamper the Company's ability to push its products aggressively to its target consumers thereby slowing the pace of its business growth.

Management Perception

In Haryana, Rajasthan, Chandigarh and Uttar Pradesh the distribution network/channel that has been developed for Country Liquor is proposed to be used for IMFL products. In Karnataka, Kerala and Andhra Pradesh, the Company is distributing its products through distributors who are well acquainted with the IMFL market. In CSD supplies, as an established CSD registered brand is proposed to be acquired, no additional expenditure for promotions is likely to be required. In the civil market, a new IMFL team is being built to set in place a marketing distribution network.

15. The Company is involved in the following legal proceedings:

The Company is involved in certain civil, regulatory and other proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Should any new developments arise, such as a change in Indian law or rulings against the Company by trial or appellate courts or tribunals, the Company may need to make provisions in its financial statements, which could increase its expenses and its current liabilities. The Company can give no assurance that these legal proceedings will be decided in its favour. Any adverse decision may have a significant effect on its business and results of operations.

A classification of the legal proceedings instituted against the Company and the monetary amount involved in these cases is given in the following table:

Type of Litigation	Amount Involved (Rs. in lakhs)	Status
Writ Petitions against the amendment of the Excise and liquor sourcing policy implemented by State of Rajasthan (1st Case)	Not quantifiable	<p>The petitioners have filed the writ petition against the amendment of the excise and liquor sourcing policy for the Year 2005-06 and 2006-07 implemented by the State of Rajasthan whereby a licensee of country liquor is compulsorily required to obtain his requirement of liquor from the Respondents distilleries, and the fact that only three private distilleries (one of them being Globus) and the government distillery were permitted to obtain rectified spirit from outside the state of Rajasthan and none else. The Petitioners claim is that the policy is arbitrary and clearly aims at creating a monopoly in favour of the Respondents.</p> <p>Pending for final hearing. Date to be fixed later on. As per the information available on-line on the website of Hon'ble Rajasthan High Court, notice has been issued on April 23, 2009, however, the same and/or its service is incomplete.</p>
Writ Petitions against the amendment of	Not quantifiable	The petitioners have filed the writ petition against the amendment of the excise and

the Excise and liquor sourcing policy implemented by State of Rajasthan (2 nd Case)		<p>liquor sourcing policy for the Year 2005-06 and 2006-07 implemented by the State of Rajasthan whereby a licensee of country liquor is compulsorily required to obtain his requirement of liquor from the Respondents distilleries, and the fact that only three private distilleries and the government distillery were permitted to obtain rectified spirit from outside the state of Rajasthan and none else. The Petitioners claim is that the policy is arbitrary and clearly aims at creating a monopoly in favour of the Respondents.</p> <p>The Company was originally not made a party in the writ petition. However, the Company had filed an application for impleadment as a respondent and has also filed its reply.</p> <p>Pending for final hearing. Date will be fixed later.</p>
Labour Cases related to non payment of salary, bonus and ex-gratia during the period of strike	Not quantifiable	<p>Dispute as regards the non- payment of salary to workers during the period of strike in the year 1999-2000 and 2000-2001, bonus and exgratia payments were raised. A settlement was arrived at by the Company and the Union. An application was made before the Labour Commissioner under Section 33-C(1) of the Industrial Disputes Act which was dismissed. The Labour union filed a writ against the same.</p> <p>The case has been decided on September 14, 2007 against the petitioner. The notice is to be served on the State of Rajasthan.</p>

Following are the cases filed by the Company:

Type of Litigation	Amount Involved (Rs. in lakhs)	Status
Writ Petition against excise department for their notification regarding demand of fee on transportation/ captive consumption of goods (1 Case)	<p>Duty of around Rs. 7,00,000 has been paid quo the transportation fee on the demand raised by the Department. Also, a sum of Rs. 20,70,000 has been paid as fee for the Year 2004-05.</p> <p>The demands of duty made by the excise department have been paid by the Company under</p>	<p>The Company has filed a Writ Petition under Article 226 of Constitution of India in the matter of Section 11 and 12 of the Rajasthan Excise Act, 1950 and The Rajasthan Excise Rules, 1956 against the excise department for their notification regarding demand of fee under Rule 69B of the Excise rules on transportation/ captive consumption of goods (rectified spirit used in the manufacture of liquor) within the factory premises.</p> <p>First listed on 29.11.05 wherein Demand raised by excise department and on 19.12.05 stay of order dated 29.11.05 was confirmed. The said matter was listed on 28.04.08 and the next date of hearing has been fixed for October 24, 2009</p>

	protest. In case of an adverse decision in the matter, the Company will loose the amount of duty paid.	
Recovery Suit	<p>Rs. 5,16,045 plus interest @ 24% p.a. on the above amount from the date the sum became payable to the Company.</p> <p>The Company has already made all the payments for which it has claimed refund. The Company will suffer loss of the amount (being claimed as refund) not paid by the Respondents.</p>	<p>A claim petition was filed by the Company against Rajasthan State Ganganagar Sugar Mill (RSGSM) for refund of the amount deducted by RSGSM for delay in the supply of goods as liquidated damages, Permit fee and on account of shortfall in increased rates effected after increase in the excise duty for Rectified Spirit. The case was heard by a Sole Arbitrator appointed by the Director in charge of RSGSM who announced his award on 13.4.2006 rejecting all the claims of the Company.</p> <p>The application of the Company u/s 34 of the Arbitration and Conciliation Act for setting aside the award which was pending for final hearing before the Court of District and Sessions Judge, Jaipur City has been transferred to the Court of Additional District Judge No.1 on March 20, 2009. On March 20, 2009, record of the matter from the Sole Arbitrator was ordered to be called for and the matter was fixed for hearing on August 1, 2009. Since on August 1, 2009, the record from the Sole Arbitrator was not available, the Court did not pass any order and fixed the next date of hearing on October 31, 2009.</p>
Revision Suit	The Company has already made the entire demand of sales tax as due. If the case is decided against the Company, the Company would not get refund of the said amount.	The matter was listed on April 05, 2006 wherein the Hon'ble Rajasthan High Court, Jaipur issued notice to the Respondents. Subsequently, the matter was listed for placing additional documents on record and the same was allowed by the Court. Again on August 13, 2007, arguments took place and as no specific counter to the additional documents were filed by the Department, the Company sought time to file counter to the additional document. Subsequently, the matter was listed on various occasions but no effective hearing took place in the matter. The matter is now listed for hearing on August 24, 2009 as per the tentative list of the registry.

A classification of the legal proceedings instituted against Associated Distilleries Limited, a group company and the monetary amount involved in these cases is given in the following table:

Type of Litigation	Amount Involved (Rs. in lakhs)	Status
Cess Payments etc & Other Government Departments	1,65,750/-	<p>a. Next hearing is fixed on November 10, 2009 for evidence of HSPCB.</p> <p>b. Next hearing is fixed on</p>

	Not quantifiable Rs. 2,71,498/-	November 16, 2009 for arguments on the application for amendment of plaint by the parties. c. Next hearing is fixed for arguments by the parties. Date will be fixed later.
Writ Petitions related to notification on usage of old and new liquor bottles for packaging).	Rs. 27,63,894/- Rs. 11,11,279/-	a. Final Arguments have been completed and the Case has to come for final hearing. Date to be fixed later. b. Adjourned till disposal of Case No. C.W.P 11641/1997 as the point in issue is similar.
Recovery Suits	Rs.2,33,780.50 (Rs. 2,14,477.50 plus Rs. 19,303/- towards interest)	Matter is pending for evidence of Defendants. Next date of hearing September 7, 2009.

For further details regarding these litigations, please refer to the section titled "Outstanding Litigations and Defaults" beginning on page no. 198 of this Red Herring Prospectus.

- 16. As on June 30, 2009 the Company has Unsecured loans amounting to Rs. 57.17 lakhs comprising Rs. 17.38 lakhs by way of Inter-Corporate Deposits (ICDs) and Rs. 39.79 lakhs from ABN AMRO Bank Limited The Unsecured loans by way of ICDs bear no interest and are repayable on Demand. The Unsecured loans from ABN AMRO Bank carry an interest of 15.75% and are repayable on Demand. In the event of any demand, the cash outgo may affect the Company's operations and profitability.**

Management Perception

The Company has adequate reserves for re- payment in the event of any withdrawal in the unsecured loans currently enjoyed by the Company, and therefore is of the opinion that it will not affect the Company's operations or profitability.

- 17. The Company has planned capital expenditures, which may not yield the benefits intended thus having an adverse impact on the Company's' business and profitability**

The Company may not be able to execute its expansion plans as contemplated. The capital expenditure plans are subject to a number of variables, including possible cost overruns; development delays or defects in construction; receipt of governmental approvals; and changes in management's views of the desirability of current plans. The Company may not be able to execute its expansion plans as contemplated. Due to time and/or cost overruns the anticipated benefit of such plans to its revenues and profitability may decline. To the extent that completed and/or planned capital expenditures do not produce anticipated or desired revenue or cost-reduction outcomes, the profitability and financial condition will be adversely affected.

- 18. Some of the Group Companies promoted by the Promoters have incurred losses during any of the last three years as detailed below:**

The following group companies, promoted by the promoter, have made losses during the last three financial years:

Sr No	Name of the Group Company	Profit/(Loss) for the year ended 31.03.07	Profit/(Loss) for the year ended 31.03.08	Profit/(Loss) for the year ended 31.03.09
1	Northern India Alcohol Sales	(0.55)	0.34	(0.58)

	Private Limited			
2	Biotech India Limited	(0.74)	(1.39)	(1.09)
3	Vitthal Properties Private Limited	(0.14)	(0.03)	(1.14)
4	Shaktiman Properties Private Limited	(0.15)	(0.004)	(1.54)
5	Sidhi Estates Private Limited	(0.13)	(0.04)	(0.94)
6	Ridhi Estates Private Limited	(0.12)	(0.04)	(1.02)
7	Chand Bagh Investments Limited	1.89	11.47	(21.85)
8	Rajasthan Distilleries Private Limited	Nil	Nil	(1.58)
9	Jaroda Plantations Private Limited	0.58	30.78	(0.88)

Companies promoted by the promoter viz , Globus Infosys Private Limited, Globus Spirits U.K. Limited and Company wherein Mr. Ajay Kumar Swarup holds 82.5% viz Astral Capitals Private Limited are inactive and not doing any business during the last three financial years.

19. Common pursuits: The Company's Promoter has promoted other companies in similar business within the alcohol industry segment, which may affect Globus Spirit's growth on account of likely conflict of interests.

The following companies, which are in similar distillery/alcohol business, have been promoted by the promoter of Globus Spirits Limited. Mr. Ajay Kumar Swarup, promoter of Globus Spirits Ltd., may be considered interested in these companies. Being in the same industry, the same may lead to conflict of interest between Globus Spirits Limited and the following companies promoted and/or controlled by him.

Name of the Concern	Type of Concern	Nature of Interest
Associated Distilleries Ltd.(ADL)	<p>The main objects is to carry on business as manufacturers, and traders of whisky, gin, rum, brandy, country liquor, industrial alcohol, absolute alcohol, spirits etc.</p> <p>ADL has a 40 KLPD distillery to manufacture Rectified Spirit from Molasses. At present, it is manufacturing Country Liquor and selling the same in the State of Haryana. ADL is also manufacturing and selling cheap IMFL products under the brand name Goldee in the state of Haryana and Delhi. The Company has purchased rectified spirit worth Rs. 61.22 lakhs during year ended 31.03.09 from ADL.</p>	<p>Promoted by Mr. Ajay Kumar Swarup and Mr. Anoop Bishnoi.</p> <p>Besides, Mrs. Madhavi Swarup (Mr. Ajay Swarup's wife), Mr. Madhav Kumar Swarup (his father), Mrs. Saroj Rani Swarup (his mother) together hold 36.11% of the company's equity. Mr. Anoop Bishnoi holds 2.78% of the equity.</p>
Rajasthan Distilleries Pvt. Ltd.	<p>The main objects is to carry on and manage the business or trades of Whisky, Gin, Beer, Rum, Brandy and general distillers, compounders and rectifiers, merchants, exporters, importers etc.</p>	<p>Promoted by Mr. Ajay Kumar Swarup.</p> <p>99.80% of the company's equity is held by Northern India Alcohol Sales Pvt. Ltd., a company wherein 97% is held by Mr. Ajay Kumar Swarup, Mrs. Madhavi Swarup and Mrs. Saroj Rani Swarup.</p> <p>Mr. Madhav Kumar Swarup, father of Mr. Ajay Kumar Swarup, is a Director</p>

Northern India Alcohol Sales Pvt. Ltd.	<p>The Company is into trading activities</p> <p>The main objects is to carry on the business of traders of Whisky, Gin, Rum, Brandy, Country Liquor, Industrial Alcohol, Absolute Alcohol, other alcohol etc., brokers, merchants, exporters, importers etc.</p> <p>Northern India Alcohol Sales Pvt Ltd was established for marketing and developing IMFL, Country Liquor, Rectified Spirit and Extra-Neutral Alcohol. The main function of the company is marketing and trading. During the past years, the company has done marketing of Rectified Spirit, Extra-Neutral Alcohol and IMFL. At present, the company is not doing any business.</p>	<p>Promoted by Mr. Ajay Kumar Swarup</p> <p>Mr. Ajay Kumar Swarup holds 82.06% equity. Mr. Ajay Kumar Swarup along with Mrs. Madhavi Swarup and Mrs. Saroj Rani Swarup hold 97% equity.</p>
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Please refer to page no. 174, 179 and 178 of this Red Herring Prospectus for further details on the above companies.

20. Non-registration of Company's registered Office under the Delhi Shops and Establishment Act may hamper continuation of its administrative operations at a later date

The Company does not have registration under the Delhi Shops and Establishment Act for its registered office. If the Company continues not to have the said registration the same may lead to administrative and/or other statutory problems at a later date.

21. The Company has not applied for Registration under Contract Labour (Regulation & Abolition) Act, 1970 for its Samalkha Unit. Though the Company has registration under Contract Labour (Regulation & Abolition) Act, 1970 for its Behror Unit, the application for renewal of the registration was made only on August 5, 2008 though the registration expired on December 31, 2007. The registration under Contract Labour (Regulation & Abolition) Act, 1970 for Behror Unit has been renewed upto December 31, 2009. The Non-registration/Delay in registration under the Contract Labour (Regulation & Abolition) Act, 1970 may hamper continuation of its operations at a later date.

B. EXTERNAL RISK FACTORS

1. IMFL industry is heavily regulated by the Government

The business of the Company is subject to the respective State government's policy on excise. Changes in the fiscal policies of the Government could have an adverse impact on the profitability of the Company. A significant change in the Government liberalization and deregulation policies could affect business and economic conditions in India and the business of the Company in particular. Adverse changes in other regulation such as the distribution norms may affect the operations of the Company. States may individually decide to impose prohibition on the sale of alcoholic beverages including IMFL, as has been done in the past in a couple of states.

Management Perception

This is a risk applicable to the entire industry. The Company will address the same as and when required, by falling in line with other industry players. However, any change in Government Policy that may adversely impact the liquor industry is highly unlikely as the state governments are heavily dependent on liquor for a large part of their revenues.

2. **Entry of more domestic and multinational players in the IMFL industry may force the Company to reduce the prices of its products which may reduce its revenues and margins which could have a materially adverse effect on its business, financial condition and results of operation.**
3. **The IMFL industry has negative perception in the Indian cultural context. This leads to circumstances like ban on advertising of alcoholic beverages in the print/TV media, which is not conducive to business development.**

Management Perception

This is a risk applicable to the entire industry and many players have responded by methods like surrogate advertising. With the globalization and opening of the economy, the perception of the consumer is gradually changing. Nonetheless the industry is registering a positive growth year on year, in spite of ban on advertising alcohol products.

4. **The Company may not be able to keep pace with changing consumer preferences and new product introductions which may consequently have an adverse impact on the Company's business and growth. In addition, products developed by competing companies may make the Company's products less competitive.**

Management Perception

This is a risk applicable to the entire liquor industry. The Company constantly endeavours to keep pace with the latest developments in the industry and is gradually strengthening its position to enhance its market share by introducing new products, appointing new distributors, extending geographical coverage etc.

5. **A slowdown in economic growth in India could cause the Company's business to suffer. Any slowdown in the Indian economy and the consequent impact on disposable income could adversely affect the Company's sales and consequently affect the results of operations.**
6. **Any change in the policies of the countries, in terms of tariff and non-tariff barriers, from which the Company imports or intends importing its raw materials and/or to which its products may be exported in future, will have an impact on the Company's profitability. Similarly, any adverse movement in the exchange rate may have a corresponding effect on the export realization/cost of imports and consequently affect the Company's profitability.**

Management Perception

Whenever such policy changes affect the Company's business, the Company would work towards complying with or reckoning the policy changes and adopt appropriate strategies to sustain the effect on its business.

7. **Natural calamities such as floods, earthquakes, terrorist attacks and other acts of violence or war/destruction involving India and other countries could adversely affect the Country's business and economy. These acts may also result in a loss of business confidence, make travel and other services more difficult and ultimately affect the Company's business, financial conditions and results of operations.**

Management Perception

The operations of the manufacturing facilities are dependent on the Company's ability to protect its properties from any natural calamity such as fire, earthquakes, flood, natural and similar events. The consequences of any of the above are unpredictable and the Company may not be able to foresee events and the occurrence of a natural disaster or other unanticipated problems at its production facilities that can cause interruptions in its operations, which could have a negative impact on its profitability and financial condition.

8. Dependence on agri products

Management Perception

The Company has mitigated the above with the help of technology wherever possible like being able to process a variety of agri raw materials in the event of crop failures of one or two commodities.

9. The Company's performance is highly dependent upon the growth of business and economy in the State and the country, whose progress and welfare generates the demand. An economic down turn may negatively impact the operating results of the Company.

10. Regional conflicts in South Asia could adversely affect the Indian economy, which in turn may disrupt the Company's operations and cause its business to suffer.

11. Company's performance is linked to the stability of policies and political situation in India.

12. Since the Equity Shares of the Company are required to be traded compulsorily in demat form, shareholders who have been allotted/who hold shares in Physical Form may not be able to trade in such Equity Shares unless they get their holdings dematerialized.

13. After this Issue, the price of the Company's Equity Shares may be highly volatile, or an active trading market for its Equity Shares may not develop.

The prices of the Company's Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including:

- Volatility in the Indian and global securities market or in the Rupee's value relative to the U.S. dollar, the Euro and other foreign currencies;
- Perceptions about the future performance or the performance of Indian liquor companies in general;
- Performance of the competitors in the Indian liquor industry and the perception in the market about investments in the industry;
- Adverse media reports on the Company or the Indian liquor industry;
- Changes in the estimates of the Company's performance or recommendations by financial analysts;
- Significant developments in India's fiscal and environmental regulations.
- There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the prices at which the Company's Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.
- The Company's share price is likely to be volatile and may decline post-listing.

Notes:

- a. Initial Public Issue of 75,00,000 Equity Shares of Rs.10/- each for cash at a price of Rs. [•] per Equity Share aggregating to Rs. [•] lakhs comprising of 50,000 Equity shares of Rs.10 each reserved for the Eligible Employees aggregating to Rs. [•] lakhs and a Net Issue of 74,50,000 Equity Shares of Rs.10/- each aggregating to Rs. [•] lakhs. The face value of the Equity Share is Rs. 10 and the Issue Price is 9.0 times of the face value at the lower end of the price band and 10.0 times of the face value at the higher end of the price band. The Issue will constitute 37.96% of the fully diluted post-Issue paid-up capital of the Company. The Net Issue would constitute 37.71% of the fully diluted post issue paid up capital of the company.
- b. The Book Value per Equity Share of Rs.10/- each was Rs. 54.29 as at June 30, 2009, Rs. 48.76 as at March 31, 2009, and Rs. 38.20 as at March 31, 2008 as per the restated financial statements under Indian GAAP.
- c. The Net Worth of the Company was Rs. 6654.62 lakhs as at June 30, 2009, Rs. 5976.98 lakhs as at March 31, 2009, and Rs. 4683.62 lakhs as at March 31, 2008 as per the restated financial statements under Indian GAAP.
- d. The average cost of acquisition of Equity Shares of the face value of Rs.10 each by the promoters is as follows:

Name	Average Cost of Acquisition of Equity Shares of the Promoters (Rs.)
M/s Chand Bagh Investments Limited	4.06

- e. The Issue is being made through a 100% Book Building Process wherein up to 50% of the Net Issue will be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") including 5% of the QIB portion that would be specifically reserved for Mutual Funds. The remainder QIB portion shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Net Issue would be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue would be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received from them at or above the Issue Price.
- f. For details of related party transactions, please refer to the Annexure IV of Section V titled "Financial Information" on page no. 150 of this RHP.
- g. There are no relationships with Statutory Auditors to the Company other than auditing and certification of financial statements.
- h. Investors may note that in case of over-subscription in the Issue, allotment to Eligible Employees, Qualified Institutional Bidders, Non Institutional Bidders and Retail Bidders shall be on a proportionate basis in accordance with the SEBI Guidelines and in consultation with BSE (the Designated Stock Exchange). For more information, please refer to the section titled "Basis of Allotment" beginning on page no. 257 of this Red Herring Prospectus.
- i. Investors may note that Allotment and Trading in Equity Shares of the Company shall be in dematerialised form only.
- j. Investors are free to contact the BRLMs for any clarification or information relating to the issue, who will be obliged to provide the same to the investor at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the BRLMs or the Compliance Officer of the Issuer Company for any complaint / clarifications / information pertaining to the issue.
- k. Investors are advised to refer to the paragraph titled "Basis for Issue Price" on page no. 52 of this Red Herring Prospectus before making any investment in this issue.

- l. In addition to the BRLMs, the Company is obliged to update the Red Herring prospectus and keep the public informed about any material changes till listing and trading commences in respect of the shares issued through this Red Herring Prospectus.
- m. None of the Promoters, Promoter Group have undertaken transactions in the shares of the Company in the last six months preceding the date on which the Red Herring Prospectus is filed with SEBI.
- n. The Promoters/ Directors/ Key Managerial Personnel are interested to the extent of the normal remuneration, reimbursement of the expenses incurred, or benefits such as sitting fees and those relating to their respective shareholdings in the Company.
- o. The investors are advised to refer the Paragraph on promoter's background and past financial performance of the Company before making an investment in the proposed issue.
- p. The name of the Company was changed to Globus Spirits Limited and a fresh certificate of Incorporation obtained on January 23, 2007 from the Registrar of Companies. It does not represent any change in the business line or activity.

SECTION III

INTRODUCTION

SUMMARY

This is only a summary and does not contain all the information that one should consider before investing in the Equity Shares of the Company. You should read the following summary together with the Risk Factors beginning on page no. xi of this Red Herring Prospectus and the more detailed information about Globus Spirits Limited and its financial statements beginning on page no. 150 of this Red Herring Prospectus before deciding to invest in the equity shares offered by the Company.

Industry Overview

Alcohol is a member of a class of organic compounds containing carbon, hydrogen and oxygen, considered as hydroxyl derivatives of hydrocarbons, produced by the replacement of one or more hydrogen atoms by one or more hydroxyl (-OH) GROUPS.

In earlier years the policy of the Indian government was to discourage the consumption of alcoholic beverages. This even went so far as to involve total prohibition in some states. However, the resulting problems of illicit distillation, the leakage of government excise revenue and the problems involved in enforcement, led to a review of this policy.

The importation of potable alcohol is subject to government licensing. Alcoholic drinks carry a very heavy tax burden which is itself a major source of revenue for state governments. Liquor manufactured in India is categorized as beer, country liquor and Indian Made Foreign Liquor (IMFL). IMFL production includes wines, whisky, rum, vodka, gin and brandy. Draught beer has been recently introduced and has done well in the places in which it has been introduced. Canned beer is an even more recently introduced new beverage.

Production of Alcohol drinks from non-molasses sources is very small in the country compared to the total production of Alcoholic drinks. It is in this context that Government of India encourages foreign investments as well as up gradation of technology in the field of non-molasses based alcoholic drinks and beer provided the Indian partner is in possession of a valid Industrial License under Industries (Development & Regulation) Act, 1951. *(Source: Ministry of Food Processing Industries, Government of India)*

According to the Reserve Bank of India's latest report on 'State finances: A study of budgets of 2006-07; liquor (excise) alone is slated to yield Rs. 29,533.48 crores, making it the largest revenue source for States after sales tax (Rs. 1,20,709.15 crores).

(Source: AIDA Newsletter, February, 2007)

In India, alcohol is largely produced from sugarcane molasses. The value chain in a distillery industry comprises of raw material suppliers (Sugar Mills), distillers, and intermediaries (Govt., wholesalers and retail dealers). The important end users are institutional (e.g. Armed Forces) and retail buyers.

In India alcohol is largely produced from sugarcane molasses. The industry is cyclical in nature, as sugarcane production itself is affected every 3-4 years with monsoon and other factors, resulting in low availability of molasses. *(Source: Financial Appraisal Report of SBI dated September 5, 2008)*

Government Policy

Each State levies taxation and duties on alcohol at its own decided rates. Each State also levies excise duties and also regulates distribution channels of alcohol in its own way. Liquor happens to be a major contributor to the state's exchequer. Some states, have, in the past, taken firm action in terms of banning the sale of alcohol within their state, but their decision had its own political fallout, and the ban had to be withdrawn. The state of Andhra Pradesh, in 1995, enforced prohibition and it had to lift prohibition in mid 1997. Similarly, the state of Haryana also

enforced prohibition in 1996, but had to withdraw its decision in April 1998. As per AIDA 2004 Report, Whisky is the basic IMFL spirit, and it continues to grow.

Majority of the State Governments have realized, over a period of time, the futility of enforcing prohibitions in their respective states. Prohibition has bred crime and jeopardized the economies of various states.

Regulations:

The Indian potable alcohol market has high entry barriers, largely due to government regulations. The policies and levies on alcohol vary from State to State. In most of the States, the distribution of alcohol is regulated by the concerned State Government.

(Source: Financial Appraisal Report of SBI dated September 5, 2008)

Industry Outlook:

The Indian alcohol industry comprises Indian Made Foreign Liquor (IMFL) like Whisky, Rum, Brandy, Gin, Vodka, which together sell 100 million cases a year; Beer sells 90 million cases per year and Wine sells only around 5 lakh cases per year.

India is emerging as the largest global market for whisky, registering sales of more than 60 million cases per annum. Other spirits (Brown – Brandy/Rum; White – Gin, Vodka, Rum) constitute the rest 40% of IMFL market. Of late, white spirits, although currently placed at only 5% of the market are growing at a much faster pace of 40% p.a. as against 10% p.a. growth of the overall IMFL market.

The demand for Alcoholic Beverages has been growing at a steady pace of approximately 10% p.a. and (this growth rate) is expected to continue to grow at this rate in the future. Supply is expected to match the demand over the medium term. The overall profitability of the industry would continue to be subject to the prices of molasses and the extent of competition besides the duties levied by State Governments.

(Source: Financial Appraisal Report of SBI dated September 5, 2008)

For further details, please see the section on “Industry Overview” beginning from page no. 64 of this Red Herring Prospectus.

Business Overview

Globus Spirits Limited is engaged in the business of manufacture, marketing and sale of Industrial Alcohol comprising Rectified Spirit and Extra-Neutral Alcohol, Country Liquor, and Indian Made Foreign Liquor (IMFL). The Company has established its identity in Country Liquor and IMFL business with steady growth and production of good quality liquor. The Company has a brand portfolio of its own in the Country Liquor segment such as Rana, Rajasthan No.1, Ghoomar, Samalkha No.1, Samalkha ki Saunfi, Kinnu etc; and in IMFL segment such as White Lace Duet Gin, Samurai Premium Whisky, 20-20 Premium Whisky, GR 8 Times Whisky, Hannibal Legendry Rum etc. The Company also caters to reputed Indian brands in the IMFL segment such as Officer's Choice Prestige Whisky, Officer's Choice Classic Whisky, Officer's Choice No.1 Brandy and Officer's Choice XXX Rum. The Company has already launched its own IMFL brands in Haryana, Rajasthan, Chandigarh, Uttar Pradesh, Kerala, Andhra Pradesh and Karnataka. It proposes to launch the brands further in two states/Union territory in North India and one state/Union Territory in South India. For details please refer to page no. 42 of this Red Herring Prospectus.

The Company was incorporated on February 16, 1993 with the Registrar of Companies, Delhi & Haryana, as a limited liability company. It has its registered office at C-631, New Friends Colony, New Delhi-110065. The main business of the Company is to carry on business as manufacturers, fermentators, distillers, refiners etc of liquor, and dealers of acids, alkalies, inorganic and organic compounds, gases, chemicals etc.

The Company owns two modern distilleries which are situated at:

a. Behror, District Alwar, Rajasthan:

The production facility is built on an area spread over 17.97 acres of land. The unit has its own captive supply of water and power.

b. Samalkha, District Panipat, Haryana:

The production facility is built on an area spread over 16.575 acres of land. This unit too has its own captive supply of water and power.

At present both the units are capable of manufacturing Alcohol from both molasses and grain. The total licensed and installed capacity of each of the units is 144 lakh Bulk Litres (BL) per annum

The plants are currently engaged in the manufacturing of Industrial Alcohol [comprising Rectified Spirit, and Extra Neutral Alcohol (ENA)]; Country Liquor (CL); and Indian Made Foreign Liquor (IMFL).

The distilleries have modern bottling facilities equipped with bottling machines, which caters to its own production of Country Liquor and IMFL brands. Also, the Company has tie-ups and separate arrangements for bottling IMFL products for other brand owners.

The Company is now gearing up for modernization and expansion of its production facilities, along with setting up latest facilities in utility management to enable it to lower the cost of production while continuing to produce high quality spirit.

Notwithstanding its above plans, the Company also intends to enter the IMFL market by developing its own brands and/or acquiring existing brands and marketing them all over India.

The Company has engaged Ernst & Young, a consulting firm, as its Advisor regarding matters related to Kyoto Protocol under United Nations Framework Convention on Climate Change (UNFCCC). The Company proposes to implement greenhouse gas abatement project by utilizing biomass and biogas for steam and power generation that would reduce emission of Green House gases from fossil fuel combustions for equivalent energy generation.

Ernst & Young will assist the Company in getting the potential benefits of the GHG abatement project under the clean Development Mechanism (CDM) of the Kyoto Protocol.

For further details, please see the section on "Business Overview" beginning from page no. 73 of this Red Herring Prospectus.

THE ISSUE

Equity Shares offered:	
Fresh Issue	75,00,000 Equity Shares of Rs.10/- each
Comprising of:	
Employee Reservation Portion	50,000 Equity Shares of Rs.10/-
Net Issue	74,50,000 Equity Shares of Rs.10/-
Of which:	
Qualified Institutional Buyers portion of which:	Upto 37,25,000 Equity Shares of Rs. 10/- each <i>(Available for Allocation on a proportionate basis)</i>
Available for allocation to Mutual Funds	Upto 1,86,250 Equity Shares of Rs. 10/- each <i>(Available for Allocation on a proportionate basis)</i>
Balance for all QIBs including Mutual Funds	35,38,750 Equity Shares of Rs. 10/- each <i>(Available for Allocation on a proportionate basis)</i>
Non Institutional portion	Not less than 11,17,500 Equity Shares of Rs. 10/- each <i>(Available for Allocation on a proportionate basis)</i>
Retail portion	Not less than 26,07,500 Equity Shares of Rs. 10/- each <i>(Available for Allocation on a proportionate basis)</i>
Equity Shares outstanding prior to the Issue	1,22,57,741 Equity Shares of Rs. 10/- each
Equity Shares outstanding after the Issue	1,97,57,741 Equity Shares of Rs. 10/- each
Objects of the Issue	The Company intends to deploy the net proceeds of the fresh issue for part-financing its proposed projects, the details of which have been mentioned under the section titled "Objects of the Issue" beginning at page no. 32 of this Red Herring Prospectus.

NOTES:

The fresh issue of Equity Shares in terms of this Red Herring Prospectus has been authorized by the Board of Directors in their meeting held on April 2, 2009 and a Special Resolution (pursuant to the provisions of Section 81(1A) of the Companies Act, 1956) passed at the Extra Ordinary General Meeting of the Company held on May 29, 2009

- Eligible Employees of the Company during the period commencing from the date of filing of the Red Herring Prospectus with ROC up to the Bid/Issue closing date shall be entitled to apply in the Reserved for Employees category.
- Under subscription, if any, in the Qualified Institutional, Non Institutional and Retail portion would be met with spill over from any other category, at the sole discretion of the Company in consultation with the BRLMs.
- Under subscription, if any, in the Reservation for Eligible Employees, shall be added back to the Net Issue and will be considered for allotment only on a proportionate basis.
- Under-subscription, if any, in any category in the Net Issue, would be allowed to be met with spill-over from the reserved category

SUMMARY OF FINANCIAL DATA

The summary financial information for Globus Spirits Limited presented below should be read in conjunction with the Auditors' Reports and with the financial statements and notes thereto contained in this Red Herring Prospectus and the sections entitled "Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page nos. 150 & 191 respectively, of this Red Herring Prospectus.

The following summary financial information is derived from the Company's restated financial statements as of March 31, 2005, 2006, 2007, 2008 and 2009 and for the period ended June 30, 2009 audited by M/s B.M. Chatrath & Co. Chartered Accountants, in accordance with Indian GAAP, the Companies Act, 1956 and have been restated as required under the SEBI Guidelines.

Statement Of Assets & Liabilities, As Restated

The assets and liabilities of the company as at the end of each five financial years ended on 31st March, 2005, 2006, 2007, 2008 and 2009 and for the period ended June 30, 2009 are as set out below. The assets and liabilities read with significant accounting policies and notes annexed hereto have been arrived at after making such regroupings as are, in our opinion, appropriate.

Rs. in Lacs

Particulars	As on					
	31.03.2005	31.03.2006	31.03.2007	31.03.2008	31.03.2009	30.06.2009
Fixed Assets:						
Gross Block	2,602.62	3,478.48	4,346.19	6,066.79	8,656.54	8755.57
Less: Depreciation	1,581.50	1,786.87	2,060.46	2,449.97	3,023.46	3157.81
Net Block	1,021.12	1,691.61	2,285.73	3,616.82	5,633.08	5597.76
Less: Revaluation Reserve	-	-	-	-	-	-
Net Block after adjustment for Revaluation Reserve	1,021.12	1,691.61	2,285.73	3,616.82	5,633.08	5597.76
Capital Work In Progress	202.83	13.09	169.16	379.91	39.57	39.57
Total Fixed Assets (A)	1,223.95	1,704.70	2,454.89	3,996.73	5,672.65	5637.33
Investments (B)	2.59	2.59	2.59	2.59	2.59	2.59
Current Assets, Loan & Advances:						
Interest accrued but not due	0.93	1.06	0.93	3.29	11.06	11.05
Inventories	532.25	443.09	989.08	1542.47	2,332.55	2441.68
Sundry Debtors	425.90	511.49	999.04	2,444.50	2,584.32	2917.06
Cash & Bank Balances	31.85	58.26	175.01	168.16	238.90	352.09
Loan & Advances & others	482.47	358.51	494.20	1071.59	1,266.54	1566.84
Deferred Revenue-Brand Promotion Exps	-	-	88.37	70.70	53.02	48.60
Total Current Assets, Loan & Advances (C)	1,473.40	1,372.41	2,746.63	5,300.71	6,486.39	7337.32
Liabilities & Provisions:						
Secured Loans	255.62	241.62	711.59	1310.86	1,636.67	1430.01
Unsecured Loans	126.14	53.97	143.38	159.04	94.02	57.18
Deferred Tax Liability	64.78	105.79	271.34	448.74	761.12	761.12
Current Liabilities and Provisions	1,093.97	994.78	1,528.54	2,697.77	3,692.84	4074.31
Total Liabilities & Provisions	1,540.51	1,396.16	2,654.85	4,616.41	6,184.65	6322.62

Particulars	As on					
	31.03.2005	31.03.2006	31.03.2007	31.03.2008	31.03.2009	30.06.2009
(D)						
Net Worth (A+B+C-D)	1,159.43	1,683.54	2,549.26	4,683.62	5,976.98	6654.62
Represented by Share Capital (I)	768.85	768.85	768.85	1,225.77	1,225.77	1225.77
Reserves	391.76	915.64	1,781.16	3,458.40	4,751.55	5429.18
<i>Less: Revaluation Reserve</i>	-	-	-	-	-	-
Reserves (Net of Revaluation Reserves) II	391.76	915.64	1,781.16	3,458.40	5,977.32	6654.95
Less Miscellaneous Expenditure III	1.18	0.95	0.75	0.55	0.34	0.33
Net Worth (I+II-III)	1,159.43	1,683.54	2,549.26	4,683.62	5,976.98	6654.62

Notes: None of the fixed assets were revalued during any of the year under reporting.

The reasons for large increase in Sundry Debtors & Current Liabilities during the year ending 31st March, 2007 as compared to the previous year ended 31st March, 2006 are as follows:

- i. Sundry Debtors:
 - a. Sales revenue (net of excise) during the year 2006-07 grew to Rs. 11199.53 lakhs from Rs. 8683.41 lakhs during the year 2005-06.
 - b. Country Liquor sales in Delhi commenced from the year 2006-07. It was not there in the year 2005-06.
 - c. In Haryana, the Country Liquor policy changed from Auction to Licensing system In the year 2005-06, the Country Liquor was under auction system; whereby the liquor traders who got in auction took materials from the factory on cash and carry basis. From the year 2006-07, for the first time the licensing of shops were introduced and free competition started. In order to sell the Company's products, Direct Sales to Retailers commenced and credit had to be allowed to keep pace with the competition.
 - d. In Rajasthan, the policy of Country Liquor also changed. In the year 2005-06, the Trade was in private hands i.e., through auction of individual districts both for wholesale and retail. Thus the debtors were comparatively low. From the year 2006-07 onwards, the wholesale segment was taken over by Government and the payments were also released by Government at certain intervals. Thus the level of debtors increased.
- ii. Sundry Liabilities:
 - a. Creditors for packing materials increased - Packing materials are required for sales of Bottled liquor which during the year 2006-07 increased by 58% as compared to the previous year; increasing the creditors as packing materials are available on credit of 30 days to 60 days period.
 - b. During the year 2006-07, some balancing equipments were installed in both the factories for increasing efficiencies and production. The addition to capital during the year was Rs. 868 lakhs. Thus the creditors for capital goods and capital contractors increased by Rs. 130.97 lakhs.
 - c. The provision for taxes in FY 2006-07 increased by Rs 90 lakhs.

The reasons for increase in Sundry Debtors & current Liabilities during the year ending 31st March, 2008 as compared to the previous year ended 31st March, 2007 are as follows:

- i. Sundry Debtors:
 - a. Gross Sales revenue during the year 2007-08 grew to Rs. 23526.01 lakhs from Rs. 11666.70 lakhs during the year 2006-07 i.e. by 102%. Sundry Debtors includes excise duty also as goods are sold after duty payment. Thus Sundry debtors also increased proportionately.
 - b. Country Liquor sales in Delhi commenced from the year 2006-07 and the market share in that year was 8%. In the year 2007-07 the market share increased to 26% resulting increase in debtors.

- c. In Rajasthan the CI sales are through Rajasthan Govt the debtors increased there by Rs 215.44 lacs.
- ii. Sundry Liabilities:
- The primary increase is due to provision for taxes in FY 2007-08 which increased by Rs 262.49 Lacs.
 - Creditors for packing materials increased during the year as bottled liquor increased from 42.11 lac cases in FY 2006-07 to 53.57 lac cases in FY 2007-08 increasing packing material creditors by Rs 399.77 lacs.
 - Industrial Alcohol production in Behror increased by 9.41% resulting increase in Raw Material creditors for Grain by Rs 164.52 lacs
 - Creditors for Franchise Bottling Brand started from the FY 2007-08 was Rs 301.75 lacs payable out of Royalty etc to BDA

The reasons for increase in Sundry Debtors & current Liabilities during the year ending 31st March, 2009 as compared to the previous year ended 31st March, 2008 are as follows:

- i. Sundry Debtors:
- Gross Sales revenue during the year 2008-09 grew to Rs. 28140.17 lakhs from Rs. 23526.01 lakhs during the year 2007-08 i.e. by 19.61%. The increase in Sundry Debtors is proportionate to increase in sales.
- ii. Sundry Liabilities:
- Retention money for Contractors and Security Deposit increased from Rs. 58.48 lakhs in 2007-08 to Rs. 284.06 lakhs in 2008-09
 - As Samalkha factory was also converted fully to grain, thus raw material used in Samalkha became primarily grain on which credit increased by Rs. 184 lakhs unlike previous year when molasses was purchased on cash

Statement Of Profit & Losses As Restated

Rs. in Lacs

Particulars	For the Year/Period Ended					
	31-Mar-05	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09	30-Jun-09
INCOME						
Turnover:						
Sales	6,795.65	8,683.41	11,666.70	23,526.01	28,140.17	9,234.95
Gross Sale	6,795.65	8,683.41	11,666.70	23,526.01	28,140.17	9,234.95
Less:						
Excise Duty Consumed (Note-1)	-	-	467.17	7,833.64	8,426.87	2,924.11
Net Sales (i)	6,795.65	8,683.41	11,199.53	15,692.37	19,713.30	6,310.84
Other Income	14.75	16.61	49.21	276.36	266.12	72.97
Sub-Total (ii)	14.75	16.61	49.21	276.36	266.12	72.97
Increase (Decrease) in Inventories	212.56	(62.47)	123.50	188.73	215.98	100.10
TOTAL INCOME (A)	7,022.96	8,637.55	11,372.24	16,157.46	20,195.40	6,483.91
EXPENDITURE						
Raw Material & Packing Material Consumed	4,316.38	5,593.92	7,167.89	9,844.45	12,633.37	3,937.06
Staff Costs	86.20	138.58	201.65	257.99	310.46	100.31

Particulars	For the Year/Period Ended					
	31-Mar-05	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09	30-Jun-09
Manufacturing Expenses	999.77	1,539.71	2,005.28	2,327.18	3,021.17	820.48
Administrative & Selling Expenses (Note-2)	1,413.12	499.90	423.34	1,256.74	1,349.03	592.05
Interest & Financial Charges	20.24	40.29	53.29	106.40	296.22	57.61
Depreciation	118.71	205.37	273.83	394.69	573.48	169.34
Preliminary/Deferred revenue Expenses Written Off	0.57	0.22	22.30	17.87	17.88	4.43
TOTAL EXPENDITURE (B)	6,954.99	8,017.99	10,147.58	14,205.32	18,201.61	5,681.28
Net Profit before tax and Extra-ordinary Items (A-B)	67.97	619.56	1,224.66	1,952.14	1,993.79	802.63
Add: Income Tax Refund / MAT credit entitlement	-	-	29.99	-	-	-
<u>Less:</u>						
Provision for Current Tax	3.74	51.90	220.00	504.49	382.70	125.00
Provision for Deferred Tax	39.65	41.01	165.55	177.40	312.38	-
Income Tax/Exp. for Earlier Year/FBT	0.64	2.77	3.58	6.09	5.56	-
Net Profit After Tax and Extra-Ordinary items	23.94	523.88	865.52	1,264.16	1,293.15	677.63

Note-1 – Excise Duty was not the liability of the Company till the year 2005-06 rather it was being paid by the purchaser directly to the Govt. Since 2006-07 the liability for payment of excise duty was imposed on the company and further during 2007-08 & 2008-09 the company also started IMFL production.

Note-2 – During the year 2003-04 and 2004-05 the Administrative and Selling expenses was higher as it includes the amount paid as royalty for bottling under franchise agreement with TDV (a UB Group co.). No such tie-up was there in the year 2005-06 and 2006-07. Again the co. has entered into bottling tie-up agreement with BDA Pvt. Ltd. for bottling their product during the year 2007-08, 2008-09 & 2009-10 resulting in higher Administrative & Selling expenses.

GENERAL INFORMATION

GLOBUS SPIRITS LIMITED

Incorporation

The Company was originally incorporated as Globus Agronics Limited on February 16, 1993 with the Registrar of Companies, Delhi & Haryana, and obtained the Certificate of Commencement of Business on March 19, 1993. The name of the Company was subsequently changed to Globus Spirits Limited vide a fresh Certificate of Incorporation obtained on January 23, 2007 from the Registrar of Companies, Delhi and Haryana at New Delhi.

Registered Office

C-631, New Friends Colony,
New Delhi – 110 065
India
Pin: 110065
Tel.: +91 11 26928130
Fax: +91 11 26822805
E-mail: ipo@globusgroup.in
Website: www.globusspirits.com

The Company's Registered Office was situated originally at 14, Central Lane, Bengali Market, New Delhi – 110 001. With effect from July 17, 1995, the registered office was shifted to 2-D Vandana Building, Tolstoy Marg, New Delhi – 110 001. The Registered Office was later shifted to C-631, New Friends Colony, New Delhi – 110 065 on August 11, 2003.

Corporate Office:

D-26, Sector 3
Noida – 201 301
Uttar Pradesh
India
Tel.: +91 120 4245442
Telefax: +91 120 4245443

Company Registration No.: 55-52177

CIN No: U74899DL1993PLC052177

Address of the Registrar of Companies:

Registrar of Companies, Delhi & Haryana
IFCI Tower, 4th Floor
61, Nehru Place
New Delhi - 110 019

Production Facilities:

1. Unit I : Village Shyampur,
Tehsil Behror
District Alwar – 301 701
Rajasthan
Ph No. : (01494) 516340
2. Unit II: 4 KM, Chulkana Road
Samalkha – 132 101
District Panipat
Haryana
Ph No. : (0180) 2570122

BOARD OF DIRECTORS

Name of the Director	Designation	Status
Mr. Gautam Premnath Khandelwal	Chairman	Non-Executive & Independent Director
Mr. Ajay Kumar Swarup	Managing Director	Executive & Non-Independent Director
Mr. Manik Lal Dutta	Executive Director	Executive & Non-Independent Director
Mr. Rajesh Kumar Malik	Whole-Time Director	Executive & Non-Independent Director
Mr. Rameshwar Dayal Aggarwal	Whole-Time Director	Executive & Non-Independent Director
Mr. Deepak Roy	Director	Non-Executive Director
Mr. Joginder Singh Dhamija	Director	Non Executive & Independent Director
Mr. Santosh Kumar Bishwal	Director	Non Executive & Independent Director

Brief Profile of the Chairman, Managing Director, Whole-time Directors

Mr. Gautam Premnath Khandelwal, *Non-Executive Chairman*

Mr. Gautam Premnath Khandelwal, aged 47 years is the Non-Executive Chairman of the Company. He completed his High School from The Doon School and B.A. (Economics) from Elphinstone College, Mumbai. Mr. Khandelwal started his career as a Management Trainee with Khandelwal Group in 1984, and later became Chief Executive of Khandelwal Laboratories Pvt. Ltd. He was Director of Stellar Chemical Laboratories Pvt Ltd., and moved on to become the Vice Chairman & Managing Director of KFA Group in 1993, where he successfully turned around the Company. He is the Chairman of Nagpur Power & Industries Limited. He was a Director of Khandelwal Otsuka Pharmaceuticals Limited. He is the Chairman of Informed Technologies India Limited since 1999. Mr. Khandelwal has over 23 years of vast experience in senior managerial positions and he is on the Board of many companies such as Nagpur Power & Industries Ltd., Informed Technologies India Ltd., Khandelwals Ltd. U.K., Khandelwal Remedies Pvt. Ltd., Zeppelin Investments Pvt. Ltd., Megnachem Pharmaceuticals Pvt. Ltd., The Motwane Mfg. Co. Pvt. Ltd., Krohm Solutions Pvt. Ltd., Punjab National Bank and M/s. MW.Com (India) Pvt. Ltd. Mr. Khandelwal was appointed as Chairman of the Board of the Company on April 17, 2007.

Mr. Ajay Kumar Swarup, *Managing Director*

Mr. Ajay Kumar Swarup, aged 50 years, is the Promoter and Managing Director of the Company. After completing his schooling from Doon School, he completed B.A. (Honours) in Economics from St. Stephens College, Delhi University and PGDBM from the Indian Institute of Management, Kolkata. Mr. Ajay Swarup has been associated with the Company since inception and has over 24 years of experience in the alcohol and distillery industry. He started his career with SVP Industries Ltd., an alcohol and distillery company; co-promoted Associated Distilleries Limited in 1983 and later promoted Globus Spirits Ltd. in 1993. He was the President of All India Distillers Association between March 1992 and July 1995. Mr. Swarup manages the day-to-day affairs of the Company and is responsible for business policies, strategic decisions, business development etc. As a strategic planner with a hands-on approach, he has been instrumental in the growth of the Company to this level. Mr. Swarup was appointed as Managing Director of the Company w.e.f 1.12.2006.

Mr. Manik Lal Dutta, *Executive Director*

Mr. Manik Lal Dutta, aged 63, is Executive Director of the Company. He is a M. Tech from Calcutta University and a Post Graduate Diploma in Business Management from Calcutta Institute of Management. He joined the Company in August, 2006, and has over 36 years of experience in the alcohol industry in the areas of project execution, commissioning, plant optimization, plant operation, development of IMFL blends and brands, maintenance and production planning and, quality control at various stages of liquor manufacture. Mr. Dutta started his career as Management Trainee in 1970 with Carew & Co., owned by UB Group. He later joined Rampur Distillery as Distiller-cum-Blender and rejoined UB Group in 1982 by taking charge of Srirampur Distillery. He later moved to MCD Rosa and again joined UB Group at its Udaipur Distillery as Director-in-charge in 1990. From 1998 onwards, Mr. Dutta was Divisional Vice President (Manufacturing-North) of UB Group with complete responsibility for production and management of distilleries in North India and Nepal. At Globus Spirits, Mr. Dutta is the overall in-charge and responsible for production, planning, IMFL blends, brand development etc.

Mr. Rajesh Kumar Malik, Whole-Time Director

Mr. Rajesh Kumar Malik, aged 53 years, is the Whole-Time Director of the Company. He is a B.Sc and Diploma in Business Management from Meerut University. Mr. Malik has over 29 years of experience in various liquor industries. He started his career with Pilakhni Distilleries & Chemical Works as Chemist, moved to Tilak Nagar Distilleries, Maharashtra in 1975 as Production Superintendent, then to Associated Distilleries Limited as Production Manager-cum-Blender in 1986. Mr. Malik then joined Globus Spirits at its Behror Unit as General Manager (Works) in May, 1995. Later, he moved to Golden Bottling Limited, Bhiwadi as Vice President in August, 1998. Mr. Malik later rejoined Globus Spirits as Vice President in the year 2000. Mr. Malik has experience in various functional areas in liquor industries such as controlling fermentation, distillation, secondary distillation for manufacturing ethyl alcohol, extra-neutral alcohol, grain spirit and malt spirit etc. He is adept in the art of blending operations and product development in all varieties such as whisky, rum, brandy, IMFL etc. Mr. Malik is in-charge of the production facilities of the Company's Behror unit in Rajasthan.

Mr. Rameshwar Dayal Aggarwal, Whole-Time Director

Mr. Rameshwar Dayal Aggarwal, aged 54 years, is the Whole-Time Director of the Company. He is an M.Sc (Organic Chemistry) from Agra University and has graduated in Alcohol Technology from the National Sugar Institute, Kanpur. He started his career in 1984 as Lab Chemist with Kanoria Steel, Tarapur; moved to Royal Distillery (P) Ltd., Daman as Senior Chemist; joined Som Distillery in 1993 as Senior Production Executive; moved to Globus Agronics in 1994 at its Samalkha Unit as Production Manager. He later joined Associated Distilleries Ltd as Works Manager in 1997, moved to Oasis Distilleries Ltd., Indore as General Manager in 2001. He rejoined Globus Agronics in November 2005. He is conversant with process of fermentation, distillation, blending, etc. Mr. Aggarwal is in-charge of the production facilities of the Company's Samalkha unit in Haryana.

For details regarding Independent Directors and other details on the Board, please refer to the section titled "Management and Organisation" beginning from page no. 124 of this Red Herring Prospectus.

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Santosh Kumar Pattanayak
Globus Spirits Limited
C-631, New Friends Colony
New Delhi – 110 065
India
Tel.: + 91 11 26928130
Fax: +91 11 26822805
E-mail: ipo@globusgroup.in
Website: www.globusspirits.com

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account, refund orders etc.

LEGAL ADVISOR TO THE ISSUE**Vaish Associates**

Flat No. 5-7
10, Hailey Road
New Delhi – 110 001
Tel.: 91-11-4249 2525
Fax: 91-11-4249 2600/2332 0484
E-mail: vaishlaw@vsnl.com

BANKERS TO THE COMPANY**State Bank of India**

Industrial Finance Branch

Jawahar Vyapar Bhawan, 14th Floor
1, Tolstoy Marg
New Delhi – 110 001
Tel.: +91-11-2337 4602/2335 0434
Fax: +91-11-2372 1041
E-mail: sbi.09601@sbi.co.in
Website: www.statebankofindia.com

BOOK RUNNING LEAD MANAGER



Srei Capital Markets Limited

"Vishwakarma"

86C, Topsia Road (South)
Kolkata- 700 046
Tel: +9133-3987 3845/3810
Fax: +9133-39873861
E-Mail: capital@srei.com
Investors Grievance E-mail: scmlinvestors@srei.com
Website: www.srei.com
SEBI Registration No.: INM 000003762
Contact Person: Mr. Manoj Agarwal

KEYNOTE

CORPORATE SERVICES LTD

Keynote Corporate Services Limited

4th Floor, Balmer Lawrie Building,
5, J.N. Heredia Marg, Ballard Estate, Mumbai -400001
Tel: +91 22 3026 6000-3
Fax: +91 22 2269 4323
Email: mbd@keynoteindia.net
Investors Grievance E-mail: mbd@keynoteindia.net
Website: www.keynoteindia.net
SEBI Registration No: INM 000003606
Contact Person : Mr. Janardhan Wagle

REGISTRAR TO THE ISSUE



Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup (West)
Mumbai – 400 078
Tel : +91 22 2596 0320
Fax: +91 22 2596 0329
Contact Person: Mr. Sachin Achar
E-mail: gsl.ipo@intimespectrum.com
Website: www.linkintime.co.in
SEBI Regn. No.: INR 000004058

SYNDICATE MEMBER

Keynote Capitals Limited

4th Floor Balmer Lawrie Bldg,
5, J.N. Heredia Marg,
Ballard Estate, Mumbai – 400 001
Tel: +91 22 30266044
Fax: +91 22 22694323

E-mail: kcl@keynoteindia.net
 Website: www.keynoteindia.net
 Contact Person: Mr. Ankur Mestry

AUM Capital Market Private Limited

'Akashdeep', 1st Floor
 5, Lower Rawdon Street
 Kolkata – 700 020
 Tel : +91 33 24861040-43
 Fax: +91 33 2476 0191
 Contact Person: Mr. C.K. Jain
 E-mail: aumcapital@securitiesindia.com

BANKERS TO THE ISSUE & ESCROW COLLECTION BANKS

Axis Bank Limited Court Chambers, 35, Sir Vithaldas Thackersy Marg, New Marine Lines, Mumbai - 400 020 Tel : +91 22 22007705 Fax: +91 22 22007703 E-mail : percy.balsara@axisbank.com Contact Person: Mr. Percy Balsara	ICICI Bank Limited Capital Markets Division, Mafatlal Chambers, B Wing, 3 rd Floor, N.M.Joshi Marg, Lower Parel (East) Mumbai- 400 013 Tel.: +91 22 30437000; Fax: +91 22 30437275 Email: venkataraghavan.t@icicibank.com Contact Person: Mr. Venkataraghavan
HDFC Bank Limited 1201, Raheja Centre, Free Press Journal Marg, Nariman Point Mumbai- 400 021 Tel : +91 22 30233244 Fax : +91 22 22049750 E-mail : deepak.rane@hdfbank.com Contact Person : Mr. Deepak Rane	ABN –AMRO Bank Limited Brady House, 14, Veer Nariman Point, Hornimon Circle, Fort, Mumbai – 400 01 Tel: + 91 22 66585858 Fax: + 91 22 22042673 E-mail: chaitali.nandi@in.abnamro.com Contact Person: Ms. Chaitali Nandi

SELF CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) process are provided on <http://www.sebi.gov.in>. **List of SCSBs as on August 4, 2009 are:** Corporation Bank, Union Bank of India, HDFC Bank Ltd., State Bank of India, ICICI Bank Ltd., IDBI Bank Ltd., Axis Bank Ltd., Kotak Mahindra Bank Ltd., State Bank of Bikaner and Jaipur, Bank of Baroda, Punjab National Bank, YES BANK Ltd., Citibank, Bank of India, State Bank of Hyderabad, HSBC Ltd., Vijaya Bank, State Bank of Travancore, Bank of Maharashtra and Andhra Bank. For details on designated branches of SCSBs, collecting the ASBA Bid cum Application form please refer to the above mentioned SEBI link.

STATUTORY AUDITORS TO THE COMPANY

M/s B.M. Chatrath & Co.
 Chartered Accountants
 D-26, Sector 3
 Noida – 201 301
 Uttar Pradesh
 Tel.: +91-120-4225071-73/4225079
 Fax: +91-120-4225076
 E-mail: bmcdelhi@satyam.net.in

STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES AMONGST BOOK RUNNING LEAD MANAGERS

(Srei – Srei Capital Markets Limited and Keynote - Keynote Corporate Services Limited)

In case of under-subscription in this Issue, the Book Running Lead Manager responsible for the underwriting arrangements shall invoke underwriting obligations and ensure that the underwriters pay the amount of devolvement.

The responsibilities and co-ordination for various activities in relation to the Issue have been distributed between the BRLMs as under:

Activities	Responsibility	Co-ordination
Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, etc.	Srei	Srei
Conducting a due diligence of the Company's operations / management / business plans / legal, etc. Drafting and designing the DRHP/RHP/Prospectus. Ensuring compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI.	Srei/Keynote	Srei
Assisting the Company for the FIPB and RBI approvals	Srei	Srei
Primary co-ordination with SEBI, RoC and Stock exchanges up to bidding and co coordinating interface with lawyers for agreements	Srei/Keynote	Srei
Primary coordination of drafting/proofing of the design of the Prospectus, bid forms including memorandum containing salient features of the Prospectus with the printers. Primary coordination of the drafting and approving the statutory advertisement	Srei/Keynote	Srei
Drafting and approving all publicity material other than statutory advertisement as mentioned above including corporate advertisement, brochure, etc.	Srei/Keynote	Keynote
Appointment of Registrar, Bankers and Ad agency and other intermediaries.	Srei/Keynote	Keynote
Appointment of Printer.	Srei/Keynote	Srei
Marketing of the Issue, which will cover, inter alia, (HNI & Retail): - Formulating marketing strategies, preparation of publicity budget - Finalizing media & public relations strategy - Finalizing centres for holding conferences for press and brokers, etc. - Finalizing collection centres - Brokers to the issue - Underwriters and underwriting arrangements - Following-up on distribution of publicity and issue material including application form, prospectus and brochure and deciding on the quantum of the Issue material - Preparing all road show presentations	Srei/Keynote	Keynote
Co-ordinating institutional investor meetings and	Srei/Keynote	Keynote

Activities	Responsibility	Co-ordination
institutional allocation in consultation with the Company, finalizing the Prospectus and RoC filing.		
Co-ordinating post bidding activities including management of Escrow accounts, co-ordinating Non-Institutional allocation, intimating allocation and dispatch of refunds to Bidders, etc. The post-Issue activities for the Issue will involve essential follow up steps, which include finalizing the listing of instruments and dispatch of certificates and dematerialized delivery of Shares with the various agencies connected with the work such as the Registrars to the Issue and Bankers to the Issue and the bank handling refund business. The BRLMs shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with the Company.	Keynote	Keynote

CREDIT RATING

As the present Issue is of Equity Shares, credit rating is not required.

IPO GRADING

The Company has appointed Credit Analysis & Research Limited (CARE), a credit rating agency for the IPO grading of this Issue. Details of the Grading agency are as under:

Credit Analysis & Research Limited
3rd Floor, Prasad Chambers
(Shagun Mall Building)
10A Shakespeare Sarani
Kolkata – 700 071
Tel.: +91-33-2283 1800 Fax: +91-33-2289 6150
E-mail: sukanta.nag@careratings.com
Contact Person: Mr. Sukanta Nag, General Manager

This Issue has been graded by CARE Limited and has been assigned “CARE IPO Grade 3” out of 5 indicating Average Fundamentals through its letter dated August 10, 2009 pursuant to Clauses 2.5A, 5.6B, 6.17.3A of the SEBI DIP Guidelines. The said grading is valid for a period of two months from the date of the letter. The IPO grading is assigned on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals.

Rationale

Grading

Care assigned ‘CARE IPO Grade 3’ grading to the proposed Initial Public Offering (IPO) of Globus Spirits Ltd. (GSL). GSL proposes an IPO of around 75 lakh equity shares of Rs. 10/- each. CARE IPO Grade 3 indicates ‘average fundamentals’. CARE’s IPO Grading assigned to any individual issue, represents a relative assessment of the fundamentals of the issuer.

The grading derives strength from experienced and qualified promoter and management team of the company, its established presence in the country liquor (CL) segment, experience in bottling for large Indian Made Foreign Liquor (IMFL) players, captive power plant (CPP), technological flexibility of the plants enabling the use of both grains and molasses as raw materials, comfortable financial position with low level of gearing and stable outlook for the industry. Independent directors of the company are quite participating in the affairs of the company and corporate governance practices of the company appear to be satisfactory.

The grading is however, constrained by the relative small size of the Company, its recent foray in selling IMFL under own brands in the market already captured by large players, risk associated with implementation of on going projects, volatility in raw material prices and sensitivity of the business to Government regulations.

Company Background

GSL is the present name of Globus Agronics Ltd., a company incorporated in February 1993. The Company was promoted by Shri Ajay Kumar Swarup of Delhi, an alumnus of IIM Kolkata. It is engaged in the business of manufacturing, marketing and selling of various industrial and potable alcohol products namely- Extra Neutral Alcohol (ENA), Rectified Spirit (RS), CL and IMFL.

The Company has two distilleries – located at Samalkha (Haryana) and Behror (Rajasthan) each having an installed capacity of 144 lakhs BL per annum. Both the distilleries have the flexibility to produce alcohol from both varieties of raw materials i.e. molasses and grains (broken rice, wheat, jowar & bajra). GSL has been operating mainly in Rajasthan, Haryana, Delhi and Chandigarh. CL is being sold under various brands, while for IMFL GSL launched few brands in the last two years. Prior to this, GSL was only executing bottling contracts for major layers in the industry.

Promoters

The main promoter, Shri A.K. Swarup & family have controlling stake (96.4%) in GSL through – Chand Bagh Investments Ltd (CBIL), an investment company. The other major group companies are : Associated Distilleries Ltd., Rajasthan Distilleries Ltd. and Northern India Alcohol Sales Ltd. After the placement of the IPO, the promoters group is likely to have 59.8% holding in the company, while the stake of Indian public will be 38%.

Management

GSL has a broad-based eight member Board of Directors (BOD) including the Managing Director and three Whole time Directors. The day-to day affairs of the company are looked after by Shri A.K. Swarup, MD, who is assisted by qualified professionals having rich experience in the alcohol industry.

Corporate Governance

The BoD includes four independent non-executive directors with rich industrial experience. The company is, by and large, in compliance with the applicable provisions of the listing agreement and clause 49 pertaining to corporate governance. GSL has formed different committees of Board like: Audit Committee, Remuneration Committee, Share Transfer Committee, Investor Grievance Redressal Committee, IPO Committee and Selection Committee.

Operations

GSL is engaged in the business of manufacture, marketing and selling of Industrial Alcohol (comprising RS and ENA), CL and IMFL. The company has a well established position in domestic CL segment with significant market share (22%, 17% and 20% share in Rajasthan, Haryana and Delhi respectively) and has made its presence in IMFL segment by taking up contract bottling to cater to the renowned Indian players. GSL sells CL under major brands namely Rana, Chandni and Samalkha No. 1. The Company has also launched its own brands in growing IMFL segment namely Samurai Gold Whisky, White Lace Gin, White Lace Vodka and Hannibal Rum in seven states and is likely to cover three more states by March 2010.

The IMFL segment is currently captured by large players of the industry. Gross sales increased at a CAGR of around 48 % over the last three years with a year on year (yoy) growth of 19.5% in FY 09, mainly on account of higher Average Gross Sale price Realisation (AGSPR) of RS and ENA in FY 09 due to higher Average Purchase Price (APP) of raw material in FY 09 over FY 08. GSL has a running contract with BDA Ltd for bottling their IMFL brands and also has tie-ups with brand leaders like UB Group, BDA Ltd. & Jagatjit Industries for sale of ENA.

The distribution of CL and IMFL is through the supply to govt. controlled agencies or private agencies (who ultimately cater to the need of the retailer) With the regulations relating to illicit liquor becoming stringent, GSL gained strong market presence in Haryana, Rajasthan and Delhi during the last few years by launching branded CL (accounts for a major proportion of sales for GSL).

Raw materials (mainly molasses & grains) are the major cost components for GSL. The APP for molasses increased substantially in FY 09 in view of lower availability arising out of fall in cane quality. The APP for grains also witnessed an increasing trend mainly due to fluctuating prices of broken rice (the major grain used generally) arising out of demand - supply situation in the country.

The molasses is being sourced from sugar mills located in Uttar Pradesh and Haryana. The grain are procured from dealers/stockists in Delhi and the availability is generally not an issue to its operations in the vicinity of crop rich areas like Haryana, UP and Punjab. Moreover, GSL has a warehouse in Delhi for storage of grains which mitigates the risk of shortage of raw materials due to seasonality. The Company also purchases RS from outside to meet up the requirement of bottled liquor in view of its low manufacturing capacity.

The power requirement at both its units is mostly met from its CPP. The fuel required for steam generation in the boiler is captively sourced from the effluent treatment plant (installed at both the units to ensure zero pollution) in form of biogas and biomass.

Ongoing Projects

GSL is, implementing projects comprising expansion cum modernisation of capacity (from 288 lakh BL to 498 lakh BL per annum), setting up of new CPP, revamping IMFL bottling section and brand launching for IMFL, at an aggregate project cost of Rs. 89.3 crore with the project debt-equity ratio being 0.16 : 1. The Company has already incurred Rs. 16.2 crore on the projects (entirely out of internal accruals) and the projects, in entirety, are expected to be completed by Mar, 2010. The major (Rs. 54 crore) source of fund is estimated to be through placement of IPO and hence the success of IPO shall be critical to implementation of this project.

Financial Analysis

GSL is relatively a small company with net sales of Rs. 196.8 crore in FY'09. Net sales witnessed a CAGR of about 31.5% during FY'06 to FY'09, with y-o-y growth of about 25.6% in FY09. PBILDT increased at a lower rate of 18.2% mainly due to increase in APP of molasses and grains leading to a decline in PBILDT margin.

Capital charge increased at relatively higher CAGR of 63% during the last three years with y-o-y increase of 74% in FY 09 mainly on account of increase in interest expenses arising out of higher working capital borrowing (on account of increase in scale of operation) and lower capitalisation of interest and high depreciation (due to addition of machineries in FY 09).

Relatively higher increase in capital charges led to relatively lower growth (CAGR of about 37.1%) in PAT (after deferred taxation) vis a vis PBILDT. However PAT (after deferred tax) witnessed a marginal growth of about 2% only in FY 09 over FY 08 due to higher deferred tax provisions. PAT margin accordingly declined in FY 09.

Gross Cash Accruals (GSA) at Rs. 22.0 crore in FY 09 was comfortable, given the level of outstanding long term borrowings.

Long - Term debt - equity and overall gearing ratios improved gradually in the last three years due to repayment of loans and improved Networth (arising out of improved profitability) despite substantial increase in working capital borrowings to fund the increased business levels. These ratios have generally been comfortable.

Interest coverage though declined significantly due to higher capital charges, was satisfactory at 7.42 in FY 09. However, higher interest cost led to high average cost of borrowings in FY 09 over FY 08. This was bit distorted in view of repayment of certain loans towards the end of the year.

Current ratio was adequate at 1.33 as on Mar. 31. 2009. Average collection period and average finished goods holding period was satisfactory when compared to those of industry peers.

EPS of GSL witnessed an improvement in FY 09 over FY 08 due to increase in earnings of the Company.

The unaudited working results for quarter ended June 30, 2009 were, by and large, comfortable.

Industry Outlook & Prospects

The domestic alcohol industry offers high growth potential due to low per capita consumption of liquor as compared to other countries, despite generating significant revenue for the state exchequer (being the second largest).

Industrial alcohol is used in the manufacture of medicine, paints, soaps, pesticides, etc. The Govt. of India has made blending of 5% ethanol in petrol (called gasohol) mandatory in nine sugarcane producing states from January 2003 which has thrown up huge opportunities for industrial alcohol. The potable alcohol segment has been growing at rate of 10 % over the last few years and is expected to rise at a CAGR of 13% over the next five years.

Further, high taxation and heavy regulation also make the industry dynamics complex. The uniqueness of the industry lies in its convoluted tax structure, imposition of import and export duties on inter-state transfer of liquor, apart from other taxes. These lead to the setting up of a number of small production capacities across the country by liquor manufacturers, contract distillers and bottlers. Also, there is a ban on all forms of direct and indirect advertising for liquor in the country.

Financial Results

For the year ended as on March 31	(Rs crore)		
	2007	2008	2009
Working Results	Audited		
Net sales	11.8	156.7	196.8
Total Operating Income	11.8	158.3	198.5
PBILDT	15.3	23.6	27.9
Interest	0.5	1.1	3.0
Depreciation	2.7	3.9	5.7
PBT	12.2	19.5	19.9
PAT(after deferred tax)	8.7	12.6	12.9
GCA	13.3	18.5	22.0
Financial Position			
Equity share capital	7.7	12.3	12.3
Tangible net worth	27.3	50.6	66.9
Total capital employed	35.9	65.3	84.2
Key Ratios			
Growth			
Growth in Total Income (%)	31.99	42.07	24.96
Growth in PAT (after defd. tax) (%)	65.37	46.02	2.29
Profitability			
PBILDT / Total operating income (%)	13.64	14.89	14.05
PAT / Total income (%)	7.71	7.93	6.48
ROCE (%)	44.39	40.49	29.59
Average Cost of Borrowing (%)	9.26	9.5	18.51
Solvency			
Long Term Debt Equity Ratio (times)	0.21	0.10	0.05
Overall gearing ratio (times)	0.31	0.29	0.26
Interest coverage (times)	23.06	18.28	7.42
Term debt / GCA (years)	0.42	0.27	0.15
Liquidity			
Current ratio (times)	1.44	1.39	1.33
Quick ratio (times)	0.89	0.97	0.84
Turnover			
Average collection period (days)	23	26	32
Average creditors (days)	33	39	45
Average inventory (days)	27	36	43
EPS (Rs.)	11.26	10.31	10.55

Disclaimer

CARE's IPO grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the

results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer; also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.

A copy of the report provided by CARE Limited, furnishing the rationale for its grading forms part of the Material Documents for Inspection and is available for inspection at the Registered Office from 11.00 am to 5.00 pm on any working day from the date of this Red Herring Prospectus until the Bid/Issue Closing Date.

TRUSTEE

As the present issue is of Equity Shares, appointment of Trustee is not required.

MONITORING AGENCY

There is no requirement for a monitoring agency in terms of Clause 8.17 of the SEBI (DIP) Guidelines. The Audit Committee will monitor the use of the Issue proceeds.

APPRAISING ENTITY

State Bank of India

Industrial Finance Branch
Jawahar Vyapar Bhawan, 14th Floor
1, Tolstoy Marg
New Delhi – 110 001
Tel.: +91-11-2337 4602/2335 0434
Fax: +91-11-2372 1041
E-mail: sbi.09601@sbi.co.in
Website: www.statebankofindia.com

BOOK BUILDING PROCESS

Book Building refers to the collection of bids from investors, on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is fixed after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

1. The Company;
2. Book Running Lead Managers being Srei and Keynote
3. Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the Stock Exchanges and eligible to act as underwriters. The Syndicate Members are appointed by the BRLMs;
4. Escrow Collection Bank(s) and
5. Registrar to the Issue

The SEBI DIP Guidelines have permitted an Issue of securities to the public through the 100% book building facility wherein 50,000 Equity Shares have been reserved eligible employees and the balance for public. Upto 50% of the Net Issue shall be allocated on a proportionate basis to QIBs out of which 5% shall be allocated to Mutual Funds on a proportionate basis. The remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Fund. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. Globus will comply with these guidelines for this Issue and any other ancillary directions issued by SEBI for this Issue. In this regard, Globus has appointed Srei Capital Markets Limited and Keynote Corporate Services Limited as the BRLMs to the Issue, to manage the Issue and procure subscription to the Issue.

Pursuant to amendments to the SEBI DIP Guidelines, QIB Bidders are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. **In addition, as per the recent amendments to the SEBI Guidelines, QIBs are required to pay 10% Margin Amount upon submission of the Bid cum Application Form during the Bidding Period and allocation to QIBs will be**

on a proportionate basis. For further details see the section entitled "Basic Terms of the Issue" on page nos. 49 of this Red Herring Prospectus.

While the process of Book Building under SEBI Guidelines is not new, investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Issue.

Illustration of Book Building and Price Discovery Process *(Investors should note that the following is solely for the purpose of illustration and is not specific to the Issue)*

Bidders can bid at any price within the price band. For instance, assume a price band of Rs.20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book as shown below shows the demand for the shares of the Company at various prices and is collated from bids from various investors.

Number of Equity Shares Bid for	Bid Price (Rs.)	Cumulative Equity Shares	Subscription Shares bid for
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off i.e. Rs. 22 in the above example. The Issuer, in consultation with the book running lead manager, will finalise the issue price at or below such cut off price, i.e. at or below Rs. 22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken for bidding:

- Check eligibility for making a Bidding see the section titled "Issue Procedure-Who Can Bid" on page no. 233 of this Red Herring Prospectus;
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form.
- For all Bid, ensure that you have mentioned your Permanent Account Number (PAN) allotted under the I.T. Act. In case of a Bid in joint names, each of the Bidder(s) should mention his/her PAN allotted under the IT Act and
- Ensure that the Bid cum Application Form/ASBA Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid cum Application Form/ASBA Form.

Bid/Issue program

Bidding period/Issue period

Bid/Issue opens on:

Monday, August 31, 2009

Bid/Issue closes on:

Wednesday, September 2, 2009

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form and shall be uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders, Non- Institutional Bidders and Eligible Employees bidding under the Employee Reservation Portion where the Bid Amount is in excess of Rs. 100,000 and (ii) until 5.00 p.m. or such extended time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion where the Bid Amount is up to Rs. 100,000. It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form submitted through the ASBA process, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing date, the bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than the times mentioned above on the Bid/Issue Closing Date. All times are Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLMs and Syndicate members will not be responsible. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holidays).

The Company reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band advertised at least one day prior to the Bid/Issue Opening Date.

In case of revision in the Price Band, the Issue Period will be extended for three additional days after revision of Price Band subject to the Bidding Period/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE by issuing a press release, and also by indicating the change on the web sites of the BRLMs and at the terminals of the Syndicate.

UNDERWRITERS TO THE ISSUE

After the determination of the Issue Price but prior to filing the Prospectus with the RoC, the Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the ROC)

Name and Address of the Underwriter(s)	Date of Agreement	Indicate No. of Equity Shares to be Underwritten	Amount Underwritten (Rs. in lakhs)
[•]	[•]	[•]	[•]

The above chart is indicative of the underwriting arrangement and this would be finalized after the pricing and actual allocation. The above Underwriting Agreement is dated **[•]**.

In the opinion of the Board of Directors (based on a certificate given to it by the Underwriters), the resources of all the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the Securities and Exchange Board of India Act, 1992 or registered as brokers with the Stock Exchange(s).

Allocation among underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default, the respective Underwriter, in addition to other obligations to be defined in the underwriting agreement, will also be required to procure/subscribe to the extent of the defaulted amount.

CAPITAL STRUCTURE OF THE COMPANY

Share capital as on the date of filing of the Red Herring Prospectus with SEBI (before and after the Issue) is set forth below:

(In Rupees, except share data)

	Particulars	Nominal Value	Aggregate Value at Issue Price
A.	Authorised Capital		
	2,50,00,000 Equity Shares of Rs. 10/- each	25,00,00,000	
B.	Issued, Subscribed and Paid up Capital before the Issue		
	1,22,57,741 Equity Shares of Rs. 10/- each fully paid up	12,25,77,410	
C.	Present Issue to the Public in terms of this Red Herring Prospectus		
	Fresh Issue of:		
	75,00,000 Equity shares of Rs. 10/- each	7,50,00,000	[•]
	Out of Above		
D	Employee Reservation Portion		
	50,000 Equity Shares of Rs.10/- each	5,00,000	[•]
E	Net Issue to the Public		
	74,50,000 Equity Shares of Rs.10/- each	7,45,00,000	[•]
F.	Paid Up Share Capital After the Issue		
	1,97,57,741 Equity shares of Rs. 10/- each	19,75,77,410	[•]
G.	Share Premium Account		
	Before the Issue	8,05,00,000	
	After the Issue	[•]	

The addition to the Share Premium Account on account of the Issue and the balance in the Share Premium Account after the Issue can be determined only after the Issue Price is known, after the Book Building Process.

The Authorized Equity Share Capital of the Company has been built-up as per the details given below:

Date	Number of Shares	Cumulative Number of Shares	Face Value (Rupees)	Authorised Capital (Rupees)	Particulars
16.2.1993	50,00,000	50,00,000	10	5,00,00,000	Incorporation
22.8.1995	50,00,000	1,00,00,000	10	10,00,00,000	Increase
29.12.2006	50,00,000	1,50,00,000	10	15,00,00,000	Increase
2.6.2007	1,00,00,000	2,50,00,000	10	25,00,00,000	Increase

The current authorized capital is sufficient to meet the requirements of the fresh issue.

NOTES TO CAPITAL STRUCTURE:

1. Share Capital History of the Company

Capital Build up: The existing equity share capital of the Company has been subscribed and allotted as under:

Date of Allotment	No. of Equity shares	Face Value (Rs)	Issue Price (Rs)	Consideration	Nature of Allotment	No of Equity Shares Cumulative	Paid Up Capital (Rs.)	Cumulative Share Premium (Rs.)
16.2.1993	70	10	10	Cash	Subscription on signing of Memorandum of Association	70	700	-
24.6.1993	11,80,000	10	10	Cash	Further Allotment to Chand Bagh Investments (P) Ltd, Northern India Alcohol Sales (P) Ltd & others #	11,80,070	1,18,00,700	-
20.8.1993	3,20,000	10	10	Cash	Further Allotment to Chand Bagh Investments (P) Ltd, Northern India Alcohol Sales (P) Ltd & others #	15,00,070	1,50,00,700	-
30.12.1993	1,10,000	10	10	Cash	Further Allotment to Chand Bagh Investments (P) Ltd, Northern India Alcohol Sales (P) Ltd & others #	16,10,070	1,61,00,700	-
31.12.1993	3,00,000	10	10	Cash	Further Allotment to Chand Bagh Investments (P) Ltd, Northern India Alcohol Sales (P) Ltd & others #	19,10,070	1,91,00,700	-
7.2.1994	2,00,000	10	10	Cash	Further Allotment to Chand Bagh Investments (P) Ltd, Northern India Alcohol Sales (P) Ltd & others #	21,10,070	2,11,00,700	-
8.3.1994	1,15,000	10	10	Cash	Further Allotment to Chand Bagh Investments (P) Ltd, Northern India Alcohol Sales (P) Ltd & others #	22,25,070	2,22,50,700	-
15.7.1994	2,75,000	10	10	Cash	Further Allotment to Chand Bagh Investments (P) Ltd, Northern India Alcohol Sales (P) Ltd & others #	25,00,070	2,50,00,700	-
27.2.1995 \$	2,11,641	10	47.25	Cash	Further Allotment to	27,11,711	2,71,17,110	78,83,627.25

					others #			
17.4.1995 \$	2,11,640	10	47.25	Cash	Further Allotment to others #	29,23,351	2,92,33,510	1,57,67,217.25
9.6.1995 \$	21,000	10	47.25	Cash	Further Allotment to others #	29,44,351	2,94,43,510	1,65,49,467.25
21.8.1995	2,50,000	10	47.25	Cash	Further Allotment to others #	31,94,351	3,19,43,510	2,58,61,967.25
11.9.1995	3,00,419	10	47.25	Cash	Further Allotment to others #	34,94,770	3,49,47,700	3,70,52,575.00
2.11.1995 *	41,93,724	10	-	Bonus	12:10 Bonus Issue #	76,88,494	7,68,84,940	* -
17.4.2007	1,50,000	10	80	Cash	Further Allotment to Mr. Deepak Roy (Director)	78,38,494	7,83,84,940	1,05,00,000
8.6.2007 **	39,19,247	10	-	Bonus	1:2 Bonus Issue #	1,17,57,741	11,75,77,410	1,05,00,000
5.11.2007	5,00,000	10	150	Cash	Further Allotment to Sourabh Venture Capital Trust (Venture Capital Fund)	1,22,57,741	12,25,77,410	8,05,00,000
TOTAL	1,22,57,741							

others include - M/s. Kabis Investments (P) Ltd., M/s. Astral Investments, M/s. Kabis Iron & Steel Co. (P) Ltd., M/s. Athena Investments, SRF Finance Ltd., BRS Investment Consultants, Trans Global Resources Ltd., Tinna Finex Ltd., Haryana Finance Corporation, Pariwar Finance & Investments (India) Ltd., SRF Superior Holding Ltd., Mr. Ashok Kumar, Mr. Rajat Sangal, Mr. Sukhbir Singh Arya, Mr. Shyam Sunder Sharma, Mr. Amitabh Sangal, Mr. Suveen Kapoor, Mr. Saran Singh.

* The Shareholders, in their Extra Ordinary General Meeting held on September 12, 1995 approved the Bonus Issue in the proportion of 12 Equity Shares for every 10 Equity Shares held by capitalization of Share Premium Account to the full extent and the balance from General Reserves. The allotment was made on November 2, 1995.

** The Shareholders, in their Extra Ordinary General Meeting held on June 2, 2007 approved the second Bonus Issue in the proportion of 1 Equity Share for every 2 Equity Shares held by capitalization of profit and loss account and allotment was made on June 8, 2007.

\$ Verified from the Minutes Book of the Board of Directors' Meetings of respective dates and, as per the certificate of SKP & Co., Company Secretaries dated 21.4.2007.

A. Share Capital history of the Promoters:

Name of the Promoter	Date of Allotment/ Transfer, and made fully paid-up	Consideration	No. of Shares	Face Value (Rs.)	Issue Price/ Transfer Price (Rupees)	%age of Pre-Issue Paid-up Capital	%age of Post-Issue Paid-up Capital
M/s Chand Bagh Investments Limited	24.6.1993	Cash	2,95,000	10	10	92.74	57.53
	20.8.1993	Cash	80,000	10	10		
	30.12.1993	Cash	27,500	10	10		
	31.12.1993	Cash	75,000	10	10		
	7.2.1994	Cash	50,000	10	10		
	8.3.1994	Cash	28,750	10	10		
	15.7.1994	Cash	68,750	10	10		
	1.11.1994	Acquisition through purchase	18,75,000	10	10		
	2.11.1995	Bonus issue	30,00,000	10	-		
	21.4.1997	Acquisition through purchase	2,77,300	10	10		

	17.1.2006	Acquisition through purchase	2,86,641	10	7		
	13.3.2006	Acquisition through purchase	1,41,863	10	7		
	31.3.2006	Acquisition through purchase	1,43,700	10	7		
	1.8.2006	Acquisition through purchase	6,31,096	10	7.25		
	10.10.2006	Acquisition through purchase	4,40,000	10	10		
	26.2.2007	Acquisition through purchase	46,200	10	40		
	15.3.2007	Acquisition through purchase	1,11,540	10	32		
	8.6.2007	Bonus Issue	37,89,170	10	-		
	Total		1,13,67,510				

Promoters Contribution and Lock-in:

i. 3 years lock-in

In terms of chapter IV of the SEBI DIP Guidelines, an aggregate of 20% of the post-issue paid up Equity Share capital of the Company held by the promoters of the Company shall be locked in for a period of three years from the date of allotment in this Issue. The details of the promoter's Equity shares locked in for a period of three years are as under:

Name of the Promoter	Date of Allotment/ Transfer, and made fully paid-up	Consideration	No. of Shares	Face Value (Rs.)	Issue Price/ Transfer Price (Rupees)	%age of Post-Issue Paid-up Capital	Lock in Period (Yrs)
M/s Chand Bagh Investments Limited	10.10.2006	Acquisition through purchase	4,638	10	10	20.00	3 Years
	26.2.2007	Acquisition through purchase	46,200	10	40		
	15.3.2007	Acquisition through purchase	1,11,540	10	32		
	8.6.2007	Bonus Issue	37,89,170	10	-		
	Total		39,51,548				

ii. 1 year lock – in

The details of the promoter's Equity shares locked in for a period of one year are as under:

Name of the Promoter	Date of Allotment/ Transfer, and made fully paid-up	Consideration	No. of Shares	Face Value (Rs.)	Issue Price/ Transfer Price (Rupees)	%age of Post-Issue Paid-up Capital	Lock in Period (Yrs)
M/s Chand Bagh Investments Limited	24.6.1993	Cash	2,95,000	10	10	37.53	1 year
	20.8.1993	Cash	80,000	10	10		
	30.12.1993	Cash	27,500	10	10		
	31.12.1993	Cash	75,000	10	10		
	7.2.1994	Cash	50,000	10	10		
	8.3.1994	Cash	28,750	10	10		
	15.7.1994	Cash	68,750	10	10		

	1.11.1994	Acquisition through purchase	18,75,000	10	10		
	2.11.1995	Bonus issue	30,00,000	10	-		
	21.4.1997	Acquisition through purchase	2,77,300	10	10		
	17.1.2006	Acquisition through purchase	2,86,641	10	7		
	13.3.2006	Acquisition through purchase	1,41,863	10	7		
	31.3.2006	Acquisition through purchase	1,43,700	10	7		
	1.8.2006	Acquisition through purchase	6,31,096	10	7.25		
	10.10.2006	Acquisition through purchase	4,35,362	10	10		
	Total		74,15,962				

Shareholding Pattern of Persons in Promoters Group:

Promoters' Group	Date of Allotment/ Transfer, and made fully paid-up	Consideration	Transferor	No. of Shares	Face Value (Rs.)	Issue Price/ Transfer Price (Rs.)	%age of Pre-Issue Paid-up Capital	%age of Post-Issue Paid-up Capital
Globus Infosys Private Limited	16.05.08	Beneficiary Transfer	Sourabh Venture Capital Trust	2,25,000	10	23.35	1.835	1.14
	02.06.08	Beneficiary Transfer	Sourabh Venture Capital Trust	2,25,000	10	23.35	1.835	1.14
	Total	4,50,000					3.67	2.28

1. Out of the total Promoters' holding, 20% of the Post-Issue Equity Share Capital i.e. 39,51,548 Equity Shares will be under lock-in for 3 years. In terms of Clause 4.12.1 of the SEBI DIP Guidelines, the balance equity shareholding of the promoters i.e. 74,15,962 Equity Shares (in excess of the aforesaid 20%) shall be locked in for a period of one year. The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as Promoters under the SEBI DIP Guidelines. The promoters and the promoter group will not be participating in the proposed issue.
2. In terms of Clause 4.6.4A of the SEBI DIP Guidelines, none of the securities forming part of promoters' contribution have been pledged with any Bank(s) or Financial Institutions.
3. Specific written consent has been obtained from the promoters for inclusion of the above mentioned shares as minimum promoters' contribution, subject to lock in to the extent of 20% of Post Issue Paid up Capital and that these shares shall not be transferred except inter se transfer as per the SEBI guidelines.
4. In terms of Clause 4.14.1 of the SEBI DIP Guidelines, in addition to the lock-in of 20% of post-issue shareholding of the Promoter for three years, as specified above, the entire pre-issue share capital shall be locked in for a period of one year from the date of allotment in this issue including shares held by Mr. Deepak Roy. The shares held by Sourabh Venture Capital Trust, a SEBI registered Venture capital Trust, would also be locked in for a period of one year from the date of allotment in this issue as the shares are being held for a period less than one year as on the date of filing the Draft Red Herring Prospectus with SEBI. In terms of Clause 4.15.1 of the SEBI DIP Guidelines, the locked-in Equity Shares held by the

Promoters may be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of such shares is one of the terms of sanction of loan. Further, securities locked in as minimum promoters contribution under Clause 4.11.1 may be pledged only if, in addition to fulfilling the above condition, the loan has been granted by such bank or financial institution for the purpose of financing one or more of the objects of the Issue.

5. In terms of Clause 4.16.1(b) of the SEBI Guidelines, locked – in Equity Shares held by the Promoters may be transferred to and amongst the Promoter/Promoter Group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.
6. Further, in terms of Clause 4.16.1(a) of the SEBI Guidelines, locked – in Equity Shares held by shareholders other than the Promoter may be transferred to any other person holding shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.
7. The lock-in period shall commence from the date of allotment of Equity Shares in this issue and the last date of the lock-in shall be reckoned as three years or one year, as applicable, from the date of commercial production or date of allotment of shares in the public issue, whichever is later.
8. In case the final allotment of equity shares exceeds the number of equity shares offered through this issue on account of rounding off to the nearest integer as decided at the time of allotment, the number of shares to be locked in for three years shall be calculated on the increased allotted share capital.
9. The securities which are subject to lock-in shall carry the inscription "non-transferable" and the non-transferability details shall be informed to the depositories. The details of lock-in shall also be provided to BSE and NSE, where the shares are to be listed, before the listing of the securities.
10. **Pre-issue and Post-issue Shareholding pattern of the Promoters and the promoters group is as under:**

Name of the Shareholder	Pre Issue		Post Issue	
	Number of Shares	%age Holding	Number of Shares	%age Holding
Promoter				
Chand Bagh Investments Limited	1,13,67,510	92.74	1,13,67,510	57.53
Sub Total (a)	1,13,67,510	92.74	1,13,67,510	57.53
Promoters' Group	-	-	-	-
Globus Infosys Private Limited	4,50,000	3.67	4,50,000	2.28
Sub Total (b)	4,50,000	3.67	4,50,000	2.28
Shareholding of Promoters' & Promoters Group (a+b)	1,18,17,510	96.41	1,18,17,510	59.81

11. **Shareholding pattern - Pre-issue and Proposed Post Issue Share Holding Pattern of the Company is as under:**

Category Code	Category of Shareholder	No. of Share holders	Total no. of shares	No. of shares held in dematerialized form	Total shareholding as a percentage of total number of shares (Pre-Issue)		Total Number of shares	Total Shareholding as a % of total number of shares (Post-Issue)	
					As a Percent age of (A + B)	As a Percentag e of (A+B+C)		As a % of (A + B)	As a % of (A+B+C)
(A)	Shareholding of promoter and promoter								

Category Code	Category of Shareholder	No. of Share holders	Total no. of shares	No. of shares held in dematerialized form	Total shareholding as a percentage of total number of shares (Pre-Issue)		Total Number of shares	Total Shareholding as a % of total number of shares (Post-Issue)	
					As a Percentage of (A + B)	As a Percentage of (A+B+C)		As a % of (A + B)	As a % of (A+B+C)
	group								
(1)	Indian								
(a)	Individuals/Hindu undivided Family	--	--	--	--	--	--	--	--
(b)	Central Government/ State Government(s)	--	--	--	--	--	--	--	--
(c)	Bodies Corporate	2	1,18,17,510		96.41	96.41	1,18,17,510	59.81	59.81
(d)	Financial Institutions/ Banks	--	--	--	--	--	--	--	--
(e)	Any other (Specify)	--	--	--	--	--	--	--	--
	Sub-Total (A) (1)	2	1,18,17,510		96.41	96.41	1,18,17,510	59.81	59.81
(2)	Foreign								
(a)	Individuals (Non Resident Individuals/Foreign Individuals)	--	--	--	--	--	--	--	--
(b)	Bodies Corporate	--	--	--	--	--	--	--	--
(c)	Institutions	--	--	--	--	--	--	--	--
(d)	Any Other (Overseas Corporate Body)	--	--	--	--	--	--	--	--
	Sub-Total (A) (2)	--	--	--	--	--	--	--	--
	Total Shareholding of Promoter and promoter group (A) = (A)(1)+ (A)(2)	2	1,18,17,510		96.41	96.41	1,18,17,510	59.81	59.81
(B)	Public Shareholding *								
(1)	Institutions								
(a)	Mutual Funds/UTI	--	--	--	--	--			
(b)	Financial Institutions/ Banks	--	--	--	--	--			
(c)	Central Government/ State Government(s)	--	--	--	--	--			
(d)	Venture Capital Funds *	1	50,000	--	0.41	0.41			
(e)	Insurance Companies	--	--	--	--	--			
(f)	Foreign institutional investor	--	--	--	--	--			
(g)	Foreign Venture Capital Investors	--	--	--	--	--			
(h)	Any Other	--	--	--	--	--			
	Sub Total (B)(1)	1	50,000	--	0.41	0.41			
(2)	Non Institutions								
(a)	Bodies Corporate	1	1,65,000	--	1.35	1.35			
(b)	Individuals- Individual shareholders holding nominal share capital up to Rs 1 lakh	6	198		0.002	0.002			
							79,40,231 [#]	40.19	40.19

Category Code	Category of Shareholder	No. of Share holders	Total no. of shares	No. of shares held in dematerialized form	Total shareholding as a percentage of total number of shares (Pre-Issue)		Total Number of shares	Total Shareholding as a % of total number of shares (Post-Issue)	
					As a Percentage of (A + B)	As a Percentage of (A+B+C)		As a % of (A + B)	As a % of (A+B+C)
(c)	Individuals- Individual shareholders holding nominal share capital more than Rs 1 lakh	1	2,25,000		1.84	1.84			
	Employees	2	33		0.0003	0.0003			
	Sub Total (B)(2)	10	3,90,231		3.18	3.18			
	Total Public shareholding (B)= (B)(1) + (B)(2)	11	4,40,231		3.59	3.59	79,40,231 ##	40.19	40.19
	Total (A) + (B)	13	1,22,57,741		100.00	100.00	1,97,57,741	100.00	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	--	--	--	--	--			
	Grand Total (A)+(B)+(C)	13	1,22,57,741		100.00	100.00	1,97,57,741	100.00	100.00

Post-Issue shareholding pattern will be determined after the Issue.

Since the Promoters/Promoter Group will not participate in the proposed issue, the entire offering of Equity Shares has been shown to have been taken by the Non-Promoters.

* 50,000 shares are held by Sourabh Venture Capital Trust, a Sebi registered Venture Capital Fund

12. Equity Shares held by top 10 Shareholders

a. Top ten shareholders as on the date of filing of this Red Herring Prospectus with SEBI is as follows:

Sl. No.	Name of the Shareholder	Number of Shares	* % of Issued Capital
1.	M/s Chand Bagh Investments Ltd.	1,13,67,510	92.74
2.	Globus Infosys Pvt. Ltd.	4,50,000	3.67
3.	Mr. Deepak Roy & Mrs. Alka Roy	2,25,000	1.84
4.	Tinna Finex Ltd.	1,65,000	1.35
5.	Sourabh Venture Capital Trust	50,000	0.41
6.	Mr. Rajat Sangal	51	0.0004
7.	Mr. Gautam Khandelwal	33	0.0003
8.	Mr. Ashok Kumar	33	0.0003
9.	Mr. S.S.Sharma	33	0.0003
10.	Mr. Amitabh Sangal	33	0.0003
	Total	1,22,57,693	100.00

* Issued Capital here represents 1,22,57,741 Equity Shares

b. Top ten shareholders 10 days prior to the date of filing of this Red Herring Prospectus with the SEBI are as follows:

Sl. No.	Name of the Shareholder	Number of Shares	* % of Issued Capital
1.	M/s Chand Bagh Investments Ltd.	1,13,67,510	92.74
2.	Globus Infosys Pvt. Ltd.	4,50,000	3.67
3.	Mr. Deepak Roy & Mrs. Alka Roy	2,25,000	1.84
4.	Tinna Finex Ltd.	1,65,000	1.35
5.	Sourabh Venture Capital Trust	50,000	0.41
6.	Mr. Rajat Sangal	51	0.0004
7.	Mr. Gautam Khandelwal	33	0.0003

8.	Mr. Ashok Kumar	33	0.0003
9.	Mr. S.S.Sharma	33	0.0003
10.	Mr. Amitabh Sangal	33	0.0003
	Total	1,22,57,693	100.00

* Issued Capital here represents 1,22,57,741 Equity Shares

- c. Top ten shareholders two years prior to date of filing of this Red Herring Prospectus with the SEBI are as follows:

Sl. No.	Name of the Shareholder	Number of Shares	* % of Issued capital
1.	Chand Bagh Investments Ltd.	1,13,67,510	96.68
2.	Deepak Roy & Mrs. Alka Roy	2,25,000	1.91
3.	Tinna Finex Ltd.	1,65,000	1.40
4.	Mr. Rajat Sangal	51	0.0004
5.	Mr. Gautam Khandelwal	33	0.0003
6.	Mr. Ashok Kumar	33	0.0003
7.	Mr. S.S. Sharma	33	0.0003
8.	Mr. Amitabh Sangal	33	0.0003
9.	Rajesh Kumar	18	0.0002
10.	Sharan Singh	15	0.0001
	Total	1,17,57,726	100.00

* Issued Capital here represents 1,17,57,741 Equity Shares

13. No Equity Shares have been sold or purchased by the Promoter and the Promoters' Group during the period of six months preceding the date of filing this Red Herring Prospectus.
14. The Company, its Promoters, Promoter Group, Directors and/or the BRLMs of the Issue have not entered into any 'buy-back' or 'standby' arrangement for purchase of the Equity Shares being offered through this Red Herring Prospectus.
15. An over-subscription to the extent of 10% of the Issue size can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot, while finalizing the allotment.
16. The Company has not raised any bridge loan from any Bank against the proceeds of this Issue.
17. There are no partly paid up Equity Shares as on the date of Red Herring Prospectus.
18. The Equity Shares offered through the Issue will be fully paid up, and hence there shall be no partly paid shares in this issue.
19. An investor cannot make a Bid for more than the number of Equity Shares offered under the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
20. A total of 50,000 Equity Shares have been reserved for allocation to the Eligible Employees on competitive basis, subject to valid bids being received at or above the issue price. Employees can also make Bids in the Net Issue to Public and such Bids shall not be treated as multiple Bids.
21. Under-subscription, if any, in the Reservation for Eligible Employees shall be added back to the Net issue. In case of under-subscription in the Net Issue, spill over to the extent of under subscription shall be permitted from the Employee Reservation Portion.
22. The Issue is being made through the 100% Book Building Process wherein up to 50% of the Net Issue shall be allotted to Qualified Institutional Buyers on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Net Issue would be allocated to Non-Institutional Bidders and not less than 35% of the Net Issue would be allocated to Retail Individual Bidders on a

proportionate basis, subject to valid bids being received from them at or above the Issue Price.

23. Under-subscription, if any, in the QIBs, Non-institutional and Retail Individual Portion would be met with the spill over from any other category at the sole discretion of the Company in consultation with the BRLMs. However if the aggregate demand by mutual funds is less than 5% of the QIB portion, the balance equity shares available for allocation in the mutual fund portion will be first added to the QIB portion and be allotted proportionately to the QIB bidders.
24. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in para on "Basis of Allotment" beginning on page no. 257 of this Red Herring Prospectus.
25. The Company shall not make any further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the submission of this Red Herring Prospectus with SEBI until the Equity Shares to be issued pursuant to the Issue have been listed.
26. The Company at present does not intend or propose to alter the capital structure for a period of six months from the date of filing of this Red Herring Prospectus, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise except that if we enter into acquisitions or joint ventures, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.
27. On the date of filing the Red Herring Prospectus with SEBI, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares, which would entitle the existing Promoters or shareholders, or any other person any option to receive Equity Shares after the Offer.
28. The Company has not issued any Bonus Shares or shares out of revaluation reserves or reserves without accrual of cash resources except as stated as follows:
 - a. On 2.11.1995, the Company has issued 41,93,724 Equity Shares of Rs. 10 each fully paid-up as bonus shares in the proportion of 12 Equity Shares for every 10 Equity Shares held by capitalization of Share Premium Account to the full extent and the balance from General Reserves.
 - b. On 8.6.2007, the Company has issued 39,19,247 Equity Shares of Rs. 10 each fully paid-up as bonus shares in the proportion of 1 Equity Share for every 2 Equity Shares held by capitalization of profit and loss account.
29. The Company has not issued any Equity shares for consideration other than cash.
30. The Company has not offered any Employees Stock Option Scheme or Employees Stock Purchase Scheme for its employees. The Company does not intend to allot any Equity Shares to its employees under ESOP/ESPS scheme from the proposed Issue. As and when, options are granted to the employees under the ESOP scheme, the Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
31. There will be only one denomination of the Equity Shares of Globus Spirits Limited, unless otherwise permitted by law. The Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
32. The Company has a total of 13 Equity shareholders as on date.

OBJECTS OF THE ISSUE

The Company proposes to modernize and expand its production facilities at Behror, Rajasthan and Samalkha, Haryana; develop and acquire IMFL brands; revamp its storage and bottling capacity and towards this is raising funds through a mix of debt and equity.

The Objects of the Issue are as stated herein below:

- i. Installation of a Multi-Pressure Distillation Plant to produce quality Extra Neutral Alcohol (ENA) of 35,000 Litres per day from both Molasses and Grain at Behror Unit in Rajasthan.
- ii. Installation of a Multi-Pressure Distillation Plant to produce quality Extra Neutral Alcohol (ENA) of 35,000 Litres per day from Grain at Samalkha Unit in Haryana.
- iii. Capacity expansion of Total Spirit-based Starch Liquefaction section from 60 KLPD to 75 KLPD, with modernization at Behror Unit, Rajasthan.
- iv. Installation of a High-Pressure Boiler and Back-Pressure Turbine, which would use Biogas and Biomass as fuel; and implementation of Green House Gas Abatement project at both units.
- v. Brand development for marketing IMFL brands in 10 more States/Union Territories.
- vi. Acquisition of Canteen Stores Department (CSD) registered IMFL Brands.
- vii. Revamping of existing storage/bottling capacity at Samalkha Unit, Haryana and modernization of Bottling Section at Behror Unit, Rajasthan.
- viii. To meet the expenses of this Issue.
- ix. To list the equity shares of Globus Spirits Ltd on the Bombay Stock Exchange Limited (BSE), the Designated Stock Exchange; and National Stock Exchange of India Limited (NSE), which will enhance the Company's brand name and provide liquidity to its shareholders.

The main Objects Clause, and objects incidental or ancillary to the main objects clause, of the Company's Memorandum of Association permits the Company to undertake existing activities and activities for which the funds are being raised by the Company, through the present issue.

COST OF THE PROJECT AND MEANS OF FINANCING

The Company's proposed expansion cum modernization project at its existing manufacturing facilities at Behror, Rajasthan and Samalkha, Haryana, and related plans are estimated to cost Rs. 8927.50 lakhs. The various components of the cost of the Project as per the Financial Appraisal Report ref no. IFB/RM-II/2008-09/130 dated September 5, 2008 of State Bank of India, Industrial Finance Branch, Jawahar Vyapar Bhawan, 14th Floor, 1, Tolstoy Marg, New Delhi – 110 001 is as under:

COST OF PROJECT (As per Appraisal of SBI):

Sl. No.	P A R T I C U L A R S	Rs. in lakhs
		Amount
1.	Multi-Pressure Distillation Plant to produce quality Extra Neutral Alcohol (ENA) of 35,000 Litres per day from both Molasses and Grain at Behror Unit.	676
2.	Multi-Pressure Distillation Plant, including Slurry mixing and Liquefaction, saccharification cum-Fermentation along with auxiliaries etc., to produce quality Extra Neutral Alcohol (ENA) of 35,000 Litres per day from Grain at Samalkha Unit.	2665
3.	a. Total Spirit based Starch Liquefaction section of 15 KLPD capacity at Behror Unit i.e., capacity expansion from 60 KLPD to 75 KLPD.	333
	b. Fermentation Modification Work in existing Grain based Distillery at Behror Unit.	66
4.	a. Powerpac Travelling Grate Furnace Boilers at Behror & Samalkha	918
	b. 2000 KW / 415V Bleed-cum-Back Pressure Turbine at Behror & Samalkha	450

	c. Green House Gases (GHG) Abatement Project under the Clean Development Mechanism (CDM) of the Kyoto Protocol at Behror & Samalkha.	15
5.	Brand Development for Marketing of IMFL Brands	2851
6.	Acquisition of Canteen Stores Department (CSD) registered IMFL Brands	300
7.	IMFL Bottling Section at Samalkha Unit.	262
8.	IMFL Bottling Section at Behror Unit	352
9.	Miscellaneous Civil Structures	40
	TOTAL	8928

The Total Project Cost excluding the public issue expenses as per the Financial Appraisal Report of State Bank of India ref no. IFB/RM-II/2008-09/130 dated September 5, 2008 is estimated at Rs.8928 lakhs.

REVISED TOTAL FUND REQUIREMENT AS PER COMPANY:

		Rs. in lakhs
Sl. No.	Particulars	Amount
1.	Project Cost	8928
2.	Public Issue Expenses	[■]
3.	General Corporate Purposes	[■]
	TOTAL	[■]

Out of the total project cost, the statutory auditors of the Company, M/s B.M. Chatrath & Co., Chartered Accountants, have vide their certificate dated June 25, 2009 certified that work on the IMFL Bottling Section at Samalkha Unit and the Miscellaneous Civil Structure Work have already been completed by March 31, 2009. Further as per the certificate dated August 12, 2009 issued by M/s B.M. Chatrath & Co., Chartered Accountants, the Company has till July 31, 2009, incurred Rs.1716.96 lakhs towards the objects of the issue.

MEANS OF FINANCING

As per the Financial Appraisal Letter of SBI ref no. IFB/RM-II/2008-09/130 dated September 5, 2008, the Project is proposed to be funded from Term Loans, Internal Accruals and Public Issue of Equity Shares. The proposed means of finance for the Project excluding the public Issue expenses as per Appraisal is as under:

		Rs. in lakhs
Sl. No.	Particulars	Amount
A.	Term Loan from State Bank of India	1200
B.	Internal Accruals	1428
C.	Public Issue of Equity Shares	6300
D.	TOTAL FUNDS RAISED	8928

As per the revised means of finance, the project is proposed to be funded by way of Term Loans, the proceeds of this Issue and/or internal accruals. The proposed means of the finance as per the Company will be as under:

		Rs. in lakhs
Sl. No.	Particulars	Amount
A.	Term Loan from State Bank of India	1200
B.	Internal Accruals	[■]
C.	Public Issue of Equity Shares	[■]
	TOTAL FUNDS RAISED	[■]

The Company confirms that firm arrangements of finance through verifiable means towards 75% of the stated means of finance excluding the amount to be raised through the proposed public issue has been made.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. In the event the overall requirement of funds exceeds the cost of the project, the shortfall will be met through internal accruals.

Any additional amount raised through this public issue, in view of it being offered through a book building process, shall be utilized by the Company for general corporate purposes. The amount of free reserves of the Company as at June 30, 2009 stood at Rs. 5429.18 lakhs.

APPRAISAL

The project has been financially appraised by State Bank of India as per their Letter No. IFB/RM-II/2008-09/130 dated September 5, 2008.

State Bank of India has sanctioned a sum of Rs. 1200 lakhs for the Project vide its letter no. IFB/CREDIT/2009-10/90 dated 29.07.2009.

State Bank of India in its Appraisal Report has not included any SWOT Analysis of the Company and its business. The SWOT Analysis given at page no. 104 of this Red Herring Prospectus is as envisaged by the management.

CARE has vide their letter dated August 10, 2009 retained a CARE BBB+ rating to the long/medium term facilities of the Company. This rating is applicable to facilities having tenure of more than one year. Facilities with CARE BBB ratings are considered to offer moderate safety for timely servicing of Debt obligations.

Further CARE has also vide their letter dated August 10, 2009 retained a PR2 rating to the short term facilities of the Company. This rating is applicable to facilities having tenure upto one year. Facilities with this rating would have adequate capacity for timely payment of short term debt obligations and carry higher credit risk as compared to facilities rated higher.

Brief note on the term loan sanctioned for the current project and the accompanying terms and conditions of the loan:

The Company has been sanctioned a term loan Rs. 1200 lakhs by State Bank of India, Industrial Finance Branch, Jawahar Vyapar Bhawan, 14th Floor, 1 Tolstoy Marg, New Delhi – 110 001 vide its letter no. IFB/CREDIT/2009-10/90 dated 29.07.2009 to part-finance the proposed modernization and expansion project.

The indicative terms of the Project Term Loan are as under:

Limit	Rs. 1200 lakhs
Security	<p>Primary: 1st charge on all fixed assets, including EM of two factory land and buildings at:</p> <ul style="list-style-type: none"> • Samalkha, Haryana. • Behror, Rajasthan. <p>Collateral: Extension of charge on all current assets of the Company.</p> <p>Personal Guarantee: Mr. Madhav Kumar Swarup Mr. Ajay Kumar Swarup</p> <p>Corporate Guarantee: M/s Chand Bagh Investments Ltd.</p>
Rate of Interest	SBAR, i.e. currently 11.75% p.a. at monthly rests (with reset after every 2 years).
Financial Covenants	In terms of Bank's extant instructions in the matter, it is stipulated that default in payment of interest or instalment on due date to the

	bank/any other lender- penal interest of 2% to be levied for the period of such defaults.
Up-front Fee	1.00% of the Term Loan amount, minimum Rs. 15.00 lakhs
Commitment Fee	1.20 % for delayed draw down beyond 2 months.
Repayment Schedule	12 quarterly instalments of Rs. 1.00 crores each commencing from June 2010 and ending in March 2013.
Prepayment charges	2.00% of the prepaid amount.
Critical Condition	<p>Term Loan would be disbursed only after all documentation / EM formalities are in place.</p> <p>The disbursement of term loan will be made either by making direct payments to the suppliers of these machines or against copies of invoices and evidence of payment together with CA's certificate as regards the total expenditure incurred on the project.</p> <p>The Term Loan will be released only after the successful completion of the Company's planned IPO.</p>

DETAILED BREAK-UP OF PROJECT COST

The Company proposes to gear up for modernization and expansion of its production facilities at Behror in the state of Rajasthan and, Samalkha in the state of Haryana.

The detailed break-up of the Project cost under the various heads has been estimated as under:
(As per the Financial Appraisal of State Bank of India dated September 5, 2008)

Details of Project Cost:

A. Multi-Pressure Distillation Section at Behror Unit

Rs. in lakhs

Sl. No	Item of Assets / Machinery	Qty.	Cost	Supplier
1.	35,000 LPD Wash to ENA Multi-Pressure Distillation Plant with complete Piping, Insulation, Valves, Electrical and Instrumentation.	1	522.00	PRAJ Industries Ltd. PRAJ House Bavdhan Pune – 411 021
	Auxiliaries (Cooling Tower, CW Recirculation Pumps, Piping, Valves & Electrical)	-	16.00	- do -
	Erection of above machinery	-	18.00	Pacecon Engineering Projects Ltd.
	Packing & Forwarding, Transportation and Transit Insurance	-	21.00	PRAJ Industries Ltd. PRAJ House Bavdhan Pune – 411 021
	Civil and Structural Design for machinery	-	6.00	- do -
	Taxes & Duties		93.00	
	Total		676.00	

Quotation No. BDN:HMT:GAL:O:234 dated December 13, 2006 of M/s PRAJ Industries Limited, PRAJ House, Bavdhan, Pune – 411 021.

The Company has placed Order for the above equipments vide its Order dated December 16, 2007. Praj Industries Limited has vide their letter dated July 09, 2009 informed the Company that they have completed all pre engineering works and the machineries are under fabrication and will be ready for dispatch within 4 to 5 months from 09.07.2009

B. Multi-Pressure Grain Based Distillation Section at Samlakha Unit

Rs. in lakhs

Sl. No	Item of Assets / Machinery	Qty.	Cost	Supplier
--------	----------------------------	------	------	----------

1.	Plant and Machinery for 35 KLPD Slurry Mixing and Liquefaction, Saccharification cum Fermentation, Wash To ENA Multipressure Distillation along with Auxiliaries, Electrical, Instrumentation and Installation/Erection.	1	1260	PRAJ Industries Ltd. PRAJ House Bavdhan Pune – 411 021
	Plant and Machinery For 240 KLPD Grain Thin Slops Evaporation & Part Decantation (Excludes Centrifuge Decanter) and Recycle in The Distillery along with Auxiliaries, Electrical, Instrumentation & Installation/Erection services	-	490	- do -
	Grain Cleaning, Milling, Flour Weighment & Conveying	-	70	* Fabrication at Company site through local suppliers and contractors under supervision of PRAJ.
	Spirit Receiver And Storage Section For 30 Days	-	90	* Fabrication at Company site through local suppliers and contractors under supervision of PRAJ.
	Plant Electrification Comprising Of HT/LT Substation, 4 P Transformer, Power Control Centre, DG Sets, Cabling, Plant & Yard Lighting, Earthing etc.	-	80	* Fabrication at Company site through local suppliers and contractors under supervision of PRAJ.
	Buildings, Civil & Structural Work for Complete Distillery: Main Plant, Effluent Treatment, Administration Building, Roads, Land Development	-	425	* Fabrication at Company site through local suppliers and contractors under supervision of PRAJ.
	Taxes and Duties/Other expenses		250	
	TOTAL FOR COST		2665	

Quotation No. BDN:HMT:GSL:O:302 dated March 2, 2007 of M/s PRAJ Industries Limited, PRAJ House, Bavdhan, Pune – 411 021.

Further, vide letter no. BDN:HMT:GSL:423 dated October 22, 2007, the validity was extended by another 60 days i.e., till December 21, 2007.

The Company has placed Order for the above equipments to be directly supplied by PRAJ Industries vide its Order dated December 16, 2007. Praj Industries Limited has vide their letter dated July 09, 2009 informed the Company that they have completed all pre engineering works and the machineries are under fabrication and will be ready for dispatch within 4 to 5 months from 09.07.2009.

C. a. 75 KLPD Total Spirit Based Starch Liquefaction Section

Rs. in lakhs

Sl. No	Item of Assets / Machinery	Qty.	Cost	Supplier
1.	Slurry Preparation and Liquefaction Section including Auxiliaries, Electrical and Instrumentation (with HP Steam Jet Cooking)	1	269.00	PRAJ Industries Ltd. PRAJ House Bavdhan Pune – 411 021
	Erection of above machinery	-	18.00	Pacecon Engineering Projects

	Taxes and Duties	-	46.00	
	Total		333.00	

Quotation No. BDN:HMT:GAL:O:241 dated December 19, 2006 of M/s PRAJ Industries Limited, PRAJ House, Bavdhan, Pune – 411 021.

Further, vide letter no. BDN:HMT:GSL:423 dated October 22, 2007, the validity was extended by another 60 days i.e., till December 21, 2007.

The Company has placed Order for the above equipments vide its Order dated December 16, 2007. Praj Industries Limited has vide their letter dated July 09, 2009 informed the Company that they have completed all pre engineering works and the machineries are under fabrication and will be ready for dispatch within 4 to 5 months from 09.07.2009

b. Fermentation Modification Work in existing Grain Based Distillery

Rs. in lakhs

Sl. No	Item of Assets / Machinery	Qty.	Cost	Supplier
1.	Modification work of Fermentors	-	10	Elina Solutions Pvt. Ltd. 'Nakshtra' Plot No. 84, Bhusari Colony Near Kurtkoti Nursing Home Paud Road Kothrud Pune – 411 038.
2	Fermentation Modification work		50	Structures & Foundations Pvt. Ltd. N-3, Ground Floor Kalkaji, New Delhi – 110 019.
	Taxes & Duties		6	
	Total		66	

Quotation No. ESPL:SS:GAL:FMOD:1234 dated December 19, 2006 of M/s ELINA Solutions Private Limited, 'Nakshtra', Plot No. 84, Bhusari Colony, Near Kurtkoti Nursing Home, Paud Road, Kothrud, Pune – 411 038 for Rs. 10 lakhs towards Modification Work. The validity of the above quotation has been extended upto 30.11.2009 vide supplier letter dated 09.07.2009.

The Company has placed the Order vide its letter dated December 23, 2006.

The Company has procured Quotation No. S&F:HOL:07 dated June 12, 2007 for M.S. Steel 12 Fermentor, Epoxy on Internal Surfaces, M.S. Piping & Cooling Coil and Painting on External Surfaces for the balance amount of Rs. 50 lakhs from Structures & Foundations Pvt. Ltd. N-3, Ground Floor Kalkaji, New Delhi – 110 019. The validity of the said estimates has been further revalidated upto October 31, 2009 vide their letter dated July 10, 2009.

D. a. Powerpac Traveling Grate Furnace Boilers:

Rs. in lakhs

Sl. No	Item of Assets / Machinery	Qty.	Cost	Supplier
1.	POWERPAC Boiler	2	596.00	Cheema Boilers Ltd. Janakpuri New Delhi
	Boiler House Accessories	-	130.00	- do -
	Erection of Boilers	-	65.00	- do -

	Taxes & Duties		127.00	
	Total		918.00	

Quotation No. CBL:72D:2006-07 dated December 22, 2006 of M/s Cheema Boilers Limited, 212-A, Jyoti Shikar Tower, Distt. Centre, Janakpuri, New Delhi – 110 058. The said validity has been further revalidated by another 90 days w.e.f July 01, 2009.

b. 2000 KW / 415 V Bleed-cum-Back Pressure Steam Turbine:

Rs. in lakhs				
Sl. No	Item of Assets / Machinery	Qty.	Cost	Supplier
1.	2000 KW / 415 V Bleed-cum-Back Pressure Steam Turbine with Accessories	2	320	Kessels Engineering Works Pvt. Ltd. Janakpuri New Delhi
	Turbine House Accessories	-	40	Estimate given by Structures & Foundations Pvt. Ltd. N-3, Ground Floor Kalkaji New Delhi
	Erection of Turbines	-	40	Estimate given by Structures & Foundations Pvt. Ltd. N-3, Ground Floor Kalkaji New Delhi
	Taxes & Duties	-	50	- do -
	Total		450	

Quotation No. KESSELS/STG/Q-GAL/2007/159 dated January 3, 2007 of M/s KESSELS Engineering Works Private Limited, 1008, Pragati Tower, Rajendra Place, New Delhi. The said validity has been further revalidated by upto October 07, 2009 vide their letter dated July 08, 2009.

Estimate No. S&F:07:HOL:07 dated June 12, 2007 of M/s Structures and Foundations Private Limited, Ground Floor, N-3, Kalkaji, New Delhi – 110 019. The validity of the said estimates has been further revalidated upto October 31, 2009 vide their letter dated July 10, 2009.

c. Green House Gases (GHG) Abatement Project under the Clean Development Mechanism (CDM) of the Kyoto Protocol:

The Company proposes to install High-Pressure Boiler and Back-Pressure Turbines (of 2 MW capacity each at its two existing Units), in order to meet the additional requirement of steam / power and to replace the existing high cost power / steam. The Boiler will primarily use Biogas (which will be generated from the treatment of waste water at the existing Bio-Methanation Plant, without any additional cost). The other fuel will be Biomass.

GSL has engaged Ernst & Young as Advisors for matters related to 'Kyoto Protocol' under U.N. Framework Convention on Climate Change (UNFCCC). E&Y will also assist the Company in getting the potential benefits of the GHG Abatement Project under the Clean Development Mechanism (CDM) of the Kyoto Protocol.

The Company has estimated a total cost of Rs. 15 lakhs under this head, mainly on account of payment to various agencies (E&Y, etc.).

Ernst & Young Private Limited, 22 Camac Street, Block 'C', 3rd Floor, Kolkata – 700 016 vide its letter dated January 15, 2007 has quoted a fixed fee of Rs. 9.50 lakhs towards preparing Project Design Document, and vide its letter dated May 15, 2007 quoted Rs. 4 lakhs as charges towards validation for CDM credits by international recognized bodies. Service tax would be applicable on the above payments at actuals. Ernst & Young Limited have vide

their letter dated August 13, 2009 confirmed that the project would be completed on the fees already quoted.

E. Brand Development For Marketing Of IMFL Brands

The Company has plans to enter the IMFL market and has launched its own brands /plans to launch its own brands in 6 States / Union Territories in North India and 4 States in South India. The total expenditure under this head has been estimated at Rs. 2851 lakhs based on the past experience of the Company in launching its own brands and the details are as under:

Rs. in lakhs					
S.No.	State / Union Territories	Licences / Brands	Brand Promotion	Initial Funding for operations	Total
i.	Haryana	2	326	154	482
ii.	Punjab	4	162	140	306
iii.	Chandigarh	3	122	65	190
iv.	Uttar Pradesh	8	252	274	534
v.	Uttaranchal	4	142	79	225
vi.	Rajasthan	1	167	130	298
vii.	Kerala	3	118	122	243
viii.	Karnataka	5	85	116	206
ix.	Andhra Pradesh	6	88	168	262
x.	Pondicherry	1	45	59	105
	Total	37	1507	1307	2851

The Company has already launched its own IMFL brands in Seven States/Union Territories and expects to complete launch in all the 10 States/Union Territories by March 2010.

a. LICENCES/BRANDS

Details of requirement for licences are given below:

- Label Registration:**
Every company has to get the Labels of each pack-size registered with the State Government and fees in relation to such registrations vary from State to State.
- Brand Registration:**
Similarly, each individual Brand of IMFL is also to be registered with the State Excise Department and fees is to be deposited as may be applicable from State to State.
- Franchise Fees:**
Franchise Fees is payable in the state of Uttar Pradesh by IMFL manufacturers who do not have their own distilleries in Uttar Pradesh and therefore need to manufacture their brands under franchise with a Uttar Pradesh-based distillery.
- Bond Fees:**
Bond Fees is payable for operations (sales) in the state of Uttaranchal as the material is to be manufactured in Uttar Pradesh (through a franchise mode) and transferred to Uttaranchal, since no separate tie-up exists with a local distillery of Uttaranchal.

LICENCE & BRAND REGISTRATION

(Rs. in lakhs)										
PARTICULARS	Haryana	Punjab	Chandigarh	U.P.	Uttaranchal	Rajasthan	Kerala	Karnataka	Andhra Pradesh	Pondicherry
Label Registration Fees	2.00	4.00	3.00	3.00	-	1.00	1.50	5.00	-	1.00
Brand Registration Fees	-	-	-	1.00	-	-	1.50	-	6.00	-

Franchise Fees	-	-	-	4.00						
Bond Fees	-	-	-	-	4.00	-	-	-	-	-
Total	2.00	4.00	3.00	8.00	4.00	1.00	3.00	5.00	6.00	1.00

b. Details of Brand Promotional activities are given below:

(Rs. in lakhs)

BRAND PROMOTIONAL ACTIVITIES	Punjab	Chandigarh	Rajasthan	Uttaranchal	Haryana	U.P.	Kerala	Karnataka	Andhra Pradesh	Pondicherry
1) Press conference										
• Location – Major Cities										
• Event elements										
– Product introduction										
– Product unveiling										
– Open house										
– Lunch										
• PRESS LAUNCH										
– Drafting of the invite										
– Sending Invites to the Press (Print+Electronic+online)										
– Follow ups										
– Venue+Refreshments										
– Press kit (Press Release+Photographs+Notepads+Pen+Gifts)										
– Corporate Announcements										
– Q & A session										
• LUNCH										
• Invite Press For The Trade launches										
• Estimated cost	20	15	15	15	50	35	15	10	10	3
2) Trade Launch										
• Grand entertainment-evening-cum-Launch parties										
• Location: major cities										
• Audience										
– All contractors, dealers, pub & bar owners and other trade associates										
• Event elements:										
– Entertainment shows										
• Live dance performances										
• Singing performances										
• Stand up comedian										
– Female host as emcee										
• Estimated cost	30	25	30	20	60	50	15	5	10	5
3) Retail Launch										

1. Signages (200 retail outlets)										
5x10ft Size; frontlit flex	3	3	3	3	5	3	3	3	3	3
2. Product dummy (100 retail outlets)										
10ft high Inflatable bottle placed on ground level	15	15	15	15	20	15	10	7	7	4
3. Glow sign (100 retail outlets)										
Huge "20-20" branding (6x4ft size)	8	8	8	8	15	8	6	8	6	2
4) Consumer Promotion										
• Touch Points										
Ahaatas										
Pubs										
Bars										
• Activity options										
Spot sampling <input type="checkbox"/>										
<input type="checkbox"/> Venue branding										
Spot Sampling										
•TG – all whiskey drinkers										
Quantity – up to 180 ml to each individual										
•Coverage										
75 Ahaatas										
25 Pubs & Bars										
•Activity period – 3days at each spot										
•Total Activity period – 2Months (with 5Teams)										
•Estimated cost –	15	10	15	10	40	25	10	7	7	3
Venue Branding										
Branding options:										
•Fence branding										
•Branded gate arches										
•Branded Furniture										
Table covers & table mats										
Chair covers										
Counters										
• Branded Cutlery										
Disposable glasses										
Ceramic plates										
Ash trays										
• Estimated cost –	25	15	25	15	40	40	10	7	7	3

Mass Media options:										
• Hoardings	3	3	3	3	3	3	3	3	3	3
Brand Property										
SPONSORING tournament	10	5	10	10	30	20	10	5	5	5
•Brand Promotion										
all Paintings	5	5	5	5	5	5	5	5	5	2
•Mobile display van	5	5	15	15	15	15	8	8	6	2
•Road shows	8	4	8	8	8	8	8	8	4	4
Sponsorship of Events	5	3	5	5	10	10	5	3	5	2
Creative Designing	5	3	5	5	10	10	5	3	5	2
Market Research	5	3	5	5	15	5	5	3	5	2
TOTAL	162	122	167	142	326	252	118	85	88	45

GRAND TOTAL: Rs. 1507 lakhs

c. DETAILS FOR INITIAL FUNDING REQUIREMENT FOR OPERATIONS ARE GIVEN BELOW:

For the purpose of calculation of working capital requirements, the following have been assumed:

- Debtors – Thirty (30) days
- Inventories and Finished Goods – Five (5) days
- Creditors – Thirty (30) days

(Rs. in lakhs)

	DEBTORS (including Excise Duty)	INVENTORIES	FINISHED GOODS	CREDITORS	TOTAL
Haryana	122.24	23.26	33.35	24.38	154.47
Punjab	127.32	8.14	12.48	8.31	139.63
Chandigarh	56.16	6.43	9.54	6.76	65.37
Uttar Pradesh	252.38	15.66	23.57	17.99	273.62
Uttaranchal	69.99	5.24	9.23	5.61	78.85
Rajasthan	120.36	6.08	9.65	6.47	129.62
Kerala	114.75	3.89	6.85	3.89	121.60
Karnataka	111.39	3.14	5.12	3.15	116.50
Andhra Pradesh	162.73	3.49	5.71	3.56	168.37
Pondicherry	56.62	1.81	3.05	1.85	59.63
TOTAL	1193.94	77.14	118.55	81.97	1307.66
TOTAL, say					1307

The Company has already launched its own IMFL products in the following States:

i. Haryana - Brands Launched **::

- 20-20 Premium Whisky
- GR 8 Times Whisky
- Hannibal Legendary Rum
- White Lace Duet Gin
- GR 8 Times Dry Gin
- GR8 Times XXX Rum

ii. Rajasthan - Brands Launched :

- Samurai Gold Extra Rich Blend Whisky
 - Hannibal Legendary Rum
 - White Lace Gin
 - 20-20 Premium Whisky
- iii. **Chandigarh** - Brands Launched **:
 - Hannibal Legendary Rum
 - White Lace Duet Gin
 - 20-20 Premium Whisky
- iv. **Uttar Pradesh** - Brands Launched :
 - 20-20 Premium Whisky
 - Hannibal Legendary Rum
- v. **Kerala** - Brands Launched :
 - Samurai Grape Brandy
 - Hannibal Legendary XXX Rum
 - Samurai XXX Rum
 - Academy Deluxe XXX Rum
 - Academy Deluxe Brandy
- vi. **Andhra Pradesh** - Brands Launched :
 - Samurai Premium Whisky
 - 20-20 Premium Whisky
 - White Lace Dry Gin
- vii. **Karnataka** - Brands Launched : *
 - Samurai Superior Whisky
 - Samurai Superior Grape Brandy
 - Hannibal Legendary XXX Rum
 - 20 20 Superior Whisky
- * As per the prevailing state excise norms applicable at Karnataka, the license etc. for manufacture and bottling, the brands are approved by Excise Authorities in the name of Tracstar Investments Pvt. Ltd. Labelled as " Blended and Bottled by Tracstar Investments Pvt. Ltd. for Globus Spirits Limited.
- ** With the completion of the IMFL Bottling Section at Samalkha, the Company has registered itself with the Excise Authorities and now the manufacture, bottling and sale of the said brands in Haryana and Chandigarh are handled by the Company.

Further, the Company plans to launch and start rolling out its own products in the following states by March, 2010:

- i. Uttaranchal - The Company is planning to supply IMFL brands for sale in Uttaranchal from the tie-up unit at Uttar Pradesh i.e., Sir Shadilal Distillery & Chemical Works, Mansurpur, under Bond Transfer to the state of Uttaranchal.
- ii. Punjab - The Company is making arrangements to tie-up with Alcobrew Distilleries India Pvt Ltd for bottling its products for sale in the state of Punjab. The production will start from March 2010.
- iii. Pondicherry - Efforts are on for finalizing tie-up arrangements.

The Company has spent a sum of Rs. 780.46 lakhs towards Brand Development and IMFL launch till July 31, 2009

F. Acquisition of Canteen Stores Department (CSD) registered IMFL Brands:

The Company proposes to acquire/purchase a Canteen Stores Department (CSD) approved brand of matured RUM at a price of Rs. 300 lakhs approximately. The pay-back period of the acquisition would be around 5 years. The Company is negotiating with certain leading manufacturers for purchase of a CSD registered brand. In this regard, the Company has made substantial progress in its discussions with M/s Alcobrew Distilleries India Pvt. Ltd., C-423, Sarita Vihar, New Delhi – 110 076 (hereinafter referred to as "Alcobrew"), whereby

Alcobrew has vide its letter dated December 5, 2007 expressed its willingness to sell "Black Colt (Matured) XXX Rum" for a consideration of Rs. 300 lakhs. The said offer from Alcobrew, which was initially valid for a period of three months, has been extended till the end of April, 2008 vide their letter dated March 4, 2008 and which has been further extended till the end of December, 2008 vide their letter dated September 4, 2008. The said letter has been further extended till the end of September 2009 vide their letter dated 07.07.2009. In terms of Alcobrew's offer, 50% of the total consideration will be payable on acceptance and the balance shall be payable on Globus getting the above brand registered in its name.

G. IMFL Bottling Section (Samalkha Unit, Haryana)

Rs. in lakhs

Sl. No	Item of Assets / Machinery	Qty.	Estimated Cost	Actual Cost Incurred
1.	Civil Structure			
	Civil Work – 1872 Sq.m		51.00	72.45
	Cement		13.00	84.27
	Tor Steel		11.50	
	Structural Steel		11.50	
	Colour Coated Metallic Sheets		10.80	14.61
	False Ceiling		5.50	
	Aluminium Doors & Windows		4.00	6.70
	Sub-Total		107.30	
	Air Cooling / LT Panel / Electrical Lighting / SS & MS Piping	-	28.00	22.81
	SS Blending Tanks 27 KL x 10 Nos. @ Rs. 5.50 lakhs each	10	55.00	32.65
	Semi Automatic SS Bottling Conveyor 4 Nos. @ Rs. 18 lakhs each	4	72.00	33.95
	Total		262.30	267.44
	Total, Say		262.00	267.44

The IMFL Bottling Section at Samalkha Unit has already been completed by March 31, 2009 and the same has been certified by the Chartered Accountants vide their certificate dated June 25, 2009.

H IMFL Bottling Section (Behror Unit, Rajasthan)

Rs. in lakhs

Sl. No	Item of Assets / Machinery	Qty.	Cost	Estimate provided by
1.	Civil Structure			Structures & Foundations Pvt. Ltd. N-3, Ground Floor Kalkaji New Delhi – 110 019
	Civil Work – 1872 Sq.m		90.00	
	Cement		14.00	
	Tore Steel		49.50	
	Structural Steel		22.00	
	Colour Coated Metallic Sheets		8.00	
	False Ceiling		8.00	
	Aluminium Doors & Windows		10.00	
	Sub-Total		201.50	
	Air Cooling	-	14.00	
	LT Panel / Electrical Lighting		20.00	
	SS & MS Piping		2.00	
	Sub-Total		36.00	
	SS Blending Tanks 27 KL x 10 Nos. @ Rs. 6.00 lakhs each	10	60.00	
	Semi Automatic SS Bottling Conveyor 3 Nos. @ Rs. 18 lakhs each	3	54.00	
	Total		351.50 say 352	

Estimate No. dated April 09, 2008 of M/s Structures and Foundations Private Limited, Ground Floor, N-3, Kalkaji, New Delhi – 110 019. The validity of the said estimates has been further revalidated upto October 31, 2009 vide their letter dated July 10, 2009.

I MISCELLANEOUS ITEMS

(Rs. in lakhs)					
Sl. No	Item of Assets / Machinery	Qty.		Estimated Cost	Actual Cost Incurred
1.	Miscellaneous Civil Structures	-			
	(Road Work & Drain)				
i.	WBM 110 thick	4000 m2	140 m2	5.60	6.40
ii.	R.C.C. M-25	4000 m2	195 m2	7.80	8.00
iii.	V.D. Flooring	4000 m2	55 m2	2.20	3.20
iv.	Excavation	400 m3	65 m3	0.26	0.60
v.	P.C.C. 1:4:8	50 m3	1600 m3	0.80	0.51
vi.	Brick Work	140 m3	1650 m3	2.31	3.20
vii.					
viii.	Precast Slab	500 rmt	150 rmt	0.75	
ix.	Plaster	800 m2	60 m2	0.48	0.22
x.	Cement	4500 bag	225 bag	10.12	5.11
xi.	Tor Steel	25 Ton	35,000 mt	8.75	13.05
xii.	Landscaping	1 Nos.	L/S	1.00	0.92
	Total			40.07	41.21
	Total, Say			40.00	41.21

The Civil Structure Work has already been completed by March 31, 2009 and the same has been certified by the Chartered Accountants vide their certificate dated June 25, 2009.

J PUBLIC ISSUE EXPENSES:

The expenses for this issue includes management fees, IPO Grading expenses, underwriting fees, selling commission, distribution expenses, legal fees, fees to advisors, stationery costs, printing costs, advertising expenses, marketing expenses, and listing fees payable to the stock exchanges, among others. The Company's proposed issue has been graded by Credit Analysis & Research Limited (CARE). The IPO Grading expenses amount to Rs. [•] lakhs. The total expenses for this issue have been estimated at Rs. 700 lakhs by SBI in its appraisal. However as per the Company, the total expense for the issue is estimated at [■] lakhs as follows:

(Rs. In lakhs)				
Sl. No.	Activity	Estimated Amount (Rs. in lakhs)	% of Total Expenses	% of Total Issue size *
1.	Fees of BRLMs	[•]	[•]	[•]
2.	IPO Grading Expense	[•]	[•]	[•]
3.	Underwriting commission	[•]	[•]	[•]
4.	Brokerage & Selling commission	[•]	[•]	[•]
5.	Advertisement & Marketing expenses	[•]	[•]	[•]
6.	Printing and Stationery, Distribution, postage etc	[•]	[•]	[•]
7.	Other Expenses (including Registrar fees, legal fees, filing fees, listing fees, depository charges etc)	[•]	[•]	[•]
	Total	[•]	[•]	[•]

K GENERAL CORPORATE PURPOSES:

The long-term goal of the Company is to expand its operations in the Industrial Alcohol segment comprising Rectified Spirit, Extra- Neutral Alcohol, Country Liquor and India Made Foreign Liquor (IMFL). The Company is continuously looking for opportunities to grow and the management is continuously identifying and evaluating opportunities. The Company intends to use part of the net proceeds towards such growth plans and opportunities.

The Company intends to deploy the proceeds of this Issue aggregating to Rs. [■] lakhs for General Corporate Purposes including but not limited to strategic initiatives, entering into strategic alliances, brand building exercise, strengthening of the market capabilities, partnerships, acquisitions, developing vendors and ancillaries, future projects and meeting exigencies which the Company in the ordinary course may not foresee etc.

As on date of this Red Herring Prospectus, the Company has not entered into any letter of intent or any other commitment for any such acquisition/investments or definitive commitment for any such strategic initiatives and acquisitions. The Board of Directors of the Company will review various opportunities from time to time. In accordance with the policies set up by the Board, the Company proposes to retain flexibility in applying the remaining Net Proceeds for general corporate purposes, and also have flexibility in utilizing Issue proceeds earmarked for general corporate purposes.

UNDERTAKING BY THE ISSUER COMPANY:

Pursuant to Clause 2.8 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000, the Company has made firm arrangements for the stated Means of Finance as follows:

(Rs. In lakhs)		
		Total
A	Project cost as appraised by SBI	8928
B	Public Issue Expenses	[■]
C	General Corporate Purposes	[■]
D	Total Means of finance required	[■]
I	Amount to be raised through Public Issue	[■]
II	Term Loans from Banks	1200
III	Internal Accruals	[■]

The Company hereby confirms that firm arrangements of finance through verifiable means towards 75% of the stated Means of Finance, excluding the amount to be raised through the proposed public issue have been made.

IMPLEMENTATION SCHEDULE:

The installation of several production units along with the construction of utilities and services requires coordination for procurement of equipment, designing the areas and equipment foundations, award of all contracts and supervision of all construction jobs at plant site.

The Schedule is as follows:

Schedule of Implementation – Time-wise (as estimated by the Company)

SL. NO.	PROJECT PARTICULARS	COMMENCEMENT	COMPLETION
1.	Installation of a Multi-Pressure Distillation Plant to produce quality Extra Neutral Alcohol (ENA) of 35,000 Litres per day from both Molasses and Grain at Behror Unit in Rajasthan.	May, 2007	March, 2010
2.	Installation of a Multi-Pressure Distillation Plant, including Slurry mixing and Liquefaction, saccharification-cum-Fermentation along with	May 2007	March, 2010

	auxiliaries etc., to produce quality Extra Neutral Alcohol (ENA) of 35,000 Litres per day from Grain at Samalkha Unit in Haryana.		
3.	Capacity expansion of Total Spirit-based Starch Liquefaction section from 60 KLPD to 75 KLPD with modernization.	May, 2007	March, 2010
4.	Installation of a High-Pressure Boiler, which would use Biogas and Biomass as fuel.	January, 2007	March, 2010
5.	Back-Pressure Turbine	May, 2007	March, 2010
6.	GHG Abatement project under the clean development mechanism (CDM) of the Kyoto Protocol	November, 2006	March, 2010
7.	Brand promotion & IMFL launch operations in North & South India	December, 2006	March, 2010
8.	Acquisition of CSD registered IMFL brands	August, 2007	March, 2010
	IMFL Bottling Section (Samalkha Unit)	January, 2007	Completed in March, 2009
10.	IMFL Bottling Section (Behror Unit)	August, 2008	March, 2010
	Civil & Structural	May, 2007	Completed in March, 2009

The Company intends to have its commercial production of the projects at Behror Unit and at Samalkha Unit in March 2010.

The Year wise breakup of proposed deployment of funds (inclusive of Term Loans and IPO proceeds, but excluding General Corporate Purposes) is mentioned hereunder:

(Rs. in lakhs)

Sl. No.	Particulars	Cost of Project	Upto 31.07.2009	2009-10
				For the period 01.08.2009 to 31.03.2010
1.	35 KLPD Grain-based Distillation Plant, Behror Unit, Rajasthan	676	20.00	656.00
2.	35 KLPD Grain-based Distillation plant at Samalkha Unit, Haryana	2665	453.56	2211.44
3.	Total Spirit-based Starch Liquefaction plant-capacity expansion by 15 KLPD	333	11.00	322.00
4.	Fermentation & Modification work in existing Grain-based Distillery	66	44.33	21.67
5.	20 TPH, 45 Kg/cm ² (g) PowerPac Travelling Grate Furnace Boiler	918	-	918.00
6.	2 MW Back-Pressure Turbine	450	-	450.00
7.	GHG Abatement project under the Clean Development Mechanism (CDM) of Kyoto Protocol	15	3.20	11.80
8.	Brand Promotion & IMFL launch in North & South India	2851	780.46	2070.54
9.	Acquisition of CSD registered IMFL brands	300	-	300.00
10.	IMFL Bottling Section (Samalkha)	262	267.44	-
11.	IMFL Bottling Section (Behror)	351.50	-	351.50
11.	Civil & Structural	40	41.21	-
12.	IPO Expenses	[•]	95.76	[•]
	TOTAL	[•]		[•]

(As per Management Estimates)

FUNDS DEPLOYED

As per the certificate dated August 12, 2009 issued by M/s B.M. Chatrath & Co., Chartered Accountants, the Company incurred the following expenditure till July 31, 2009 towards the objects of the issue and the sources of finance for the same are given below:

		(Rs. in lakhs)
Sl. No	Particulars	Cost Incurred
1.	Brand Promotion & IMFL launch operations in North and South India	780.46
2.	IMFL Bottling Section at Samalkha	267.44
3.	Fermentation Modification work in existing Grain Based Distillery at Behror	44.33
4.	Grain-based 35 KLPD Multi-Pressure Distillation facility at Samalkha, Haryana	453.56
5.	Civil and Structural	41.21
6.	35 KLPD Grain based Multi Pressure Distillation plant at Behror	20.00
7.	GHG Abatement project	3.20
8.	Starch Liquefaction section at Behror	11.00
9.	IPO Expenses	95.76
	TOTAL	1716.96

SOURCES OF FINANCING OF FUNDS ALREADY DEPLOYED:

The above expenditure has been financed out of the Internal Accruals of the Company.

Monitoring of Utilization of Funds:

There is no requirement for a monitoring agency in terms of Clause 8.17 of the SEBI (DIP) Guidelines. The Audit Committee will monitor the use of the Issue proceeds.

Interim Use of Funds:

Pending utilisation for the purposes described above, the Company intends to temporarily invest the funds in high quality interest/ dividend bearing liquid instruments including money market mutual funds, deposits with banks and similar securities with banks for the necessary duration. These investments would be authorized by the Company's Board or duly authorized committee thereof and would be in accordance with the investment policies approved by the Board from time to time.

BASIC TERMS OF ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, the Memorandum and Articles of Association of the Company, the terms of this Red Herring Prospectus, Bid-cum-Application form, the Revision form, the Confirmation of Allocation Note ("CAN") and other terms and conditions as may be incorporated in the Allotment Advice, and other documents/certificates that may be executed in respect of the Issue. The Equity shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Stock Exchanges, RBI, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Public Issue of 75,00,000 Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per Equity Share for cash aggregating Rs. [●] Lakhs, comprising of 50,000 Equity Shares of Rs. 10 each reserved for the Eligible Employees (the "Employee Reservation Portion") and a Net Issue of 74,50,000 Equity Shares of Rs.10/- each being made through a 100% book building process.

Details of the issue structure is tabulated below:

Particulars	Employees Reservation Portion	QIBs	Non Institutional Bidders	Retail Bidders
Number of Equity Shares	Upto 50,000 equity shares	Up to 37,25,000 equity shares	Not less than 11,17,500 equity shares	Not less than 26,07,500 equity shares
Percentage of Issue size available for allocation	Upto 0.67% of the Issue size or the Issue less Net Issue	Up to 50% of the Net Issue shall be available for QIBs out of which 5% shall be available for Mutual Funds	Not less than 15% of the Net Issue	Not less than 35% of the Net Issue
Basis of Allocation or Allotment if Respective category is Oversubscribed (Subject to sectoral cap and specified investment limits)	Proportionate	Proportionate 5% to Mutual Funds on proportionate basis. Balance to QIBs including Mutual Funds	Proportionate	Proportionate
Minimum Bid	70 Equity Shares and thereafter in multiples of 70 Equity Shares	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 70 equity shares thereafter	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 70 equity shares thereafter	70 Equity Shares and thereafter in multiples of 70 Equity Shares thereafter
Maximum Bid	Such number of Equity shares so as to ensure that the bid size does not exceed 50,000 Equity Shares	Such number of Equity Shares not exceeding the Net Issue subject to regulations as applicable to the Bidders	Such number of Equity Shares not exceeding the Net Issue subject to regulations as applicable to the Bidders	Such number of Equity Shares so as to ensure that the Bid Amount does not exceed Rs.1,00,000
Mode of Allotment	Compulsory in Dematerialised form	Compulsory in Dematerialised form	Compulsory in Dematerialised form	Compulsory in Dematerialised form
Trading Lot/ Market Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can apply **	Eligible employees being permanent	Public financial Institutions as	Resident Indian individuals, HUF	Resident Indian Individuals, HUF

	<p>employee or the director(s) of the Company who is an Indian national based in India and is physically present in India on the date of submission of the Bid-cum-Application Form. Such person should be an employee or director(s) during the period commencing from the date of filing of the Red Herring Prospectus with RoC up to the Bid/Issue closing date.</p> <p>Individuals forming part of the Promoter /promoter group are not eligible to be treated as eligible employees</p>	<p>specified in Section 4A of the Companies Act, Scheduled Commercial bank, Mutual Fund registered with SEBI, Foreign Institutional Investor and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, Multilateral and Bilateral Development Financial Institution, Venture Capital funds registered with SEBI, Foreign Venture Capital Investors registered with SEBI, State Industrial Development Corporations, Insurance Company registered with the Insurance Regulatory and Development Authority (IRDA), Provident Funds with minimum corpus of Rs. 2500 Lakhs and Pension Funds with minimum corpus of Rs. 2500 Lakhs in accordance with applicable law, National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India, FIIs registered with SEBI,</p>	<p>(in the name of Karta) Companies, Corporate Bodies, Scientific Institutions, Societies and Trusts and NRIs (applying for an amount exceeding Rs.1, 00,000)</p>	<p>(in the name of the Karta) and eligible NRIs applying for an amount up to Rs.1, 00,000.</p>
Terms of Payment	Margin Amount applicable to Eligible Employees at the time of submission of Bid-cum-Application Form to the Member of the Syndicate	Margin amount applicable to QIB Bidders at the time of submission of Bid-cum-Application Form to the members of the Syndicate	Margin Amount applicable to Non Institutional Bidders at the time of submission of Bid-cum-Application Form to the members of the Syndicate	Margin Amount applicable to Retail Individual Bidder at the time of submission of Bid-cum-Application Form to the members of the Syndicate,
Margin Amount	Full Bid Amount on Bidding	10% of the Bid amount on Bidding	Full Bid Amount on Bidding	Full Bid Amount on Bidding

- * Subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in the QIBs, Non-Institutional and Retail categories would be allowed to be met with spill-over inter-se from any category or combination of categories at the discretion of the Company in consultation with the BRLMs. Under-subscription, if any, in the Reservation for Eligible Employees shall be added back to the Net issue.
- ** In case the Bid-cum-Application Form/ASBA Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form/ASBA Form.
- *** Resident Retail Individual Investor is also eligible to apply through ASBA process, for details please refer to Section "Issue Procedure for ASBA Bidders " on page 268 of Red Herring Prospectus.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by the Company in consultation with the BRLMs on the basis of assessment of market demand for the issued Equity Shares by the Book Building Process. The face value of the Equity Shares is Rs. 10 and the Issue Price is 9.0 times the face value of the Equity Shares at the lower end of the price band and 10.0 times the face value at the higher end of the price band.

Investors should read the following summary along with the sections titled "Risk Factors" and "Financial Information" beginning on page nos. xi and 150 respectively of this Red Herring Prospectus, and other details about the Company included in the section entitled "Brief History of the Company and Other Corporate Matters of the Company" beginning on page no. 121 of this Red Herring Prospectus.

The trading price of the Equity Shares could decline due to these risks and you may lose all or part of your investments.

QUALITATIVE FACTORS

1. Globus Spirits Limited is a 16 year old existing profit-making company engaged in the business of manufacture, marketing and sale of Rectified Spirit, Extra-Neutral Alcohol, Country Liquor, and Indian Made Foreign Liquor (IMFL).
2. De-risked business; both the production facilities of the Company have capability to manufacture alcohol from molasses and grain.
3. The Company has established its identity in Country Liquor segment with steady growth in Sales of Country Liquor from Rs. 1540.02 lakhs in FY 2004-05 to Rs. 10251.51 lakhs in FY 2008-09. The sale of Country Liquor during the last five years is as follows :

(Rs. in lakhs)					
Particulars	2004- 05	2005 – 06	2006 – 07	2007 – 08	2008 – 09
Sale of Country Liquor	1540.02	5708.66	8499.51	9668.03	10251.51

4. The Company has a brand portfolio of its own in the Country Liquor segment such as Rana, Rajasthan No.1, Ghoomar and Samalkha No.1, Samalkha Ki Saunfi, Kinnu etc; and in IMFL segment such as White Lace Duet Gin, Samurai Premium Whisky, 20-20 Premium Whisky, GR 8 Times Whisky, Hannibal Legendry Rum etc. The Company also caters to reputed Indian brands in the IMFL segment such as Officer's Choice Prestige Whisky, Officer's Choice Classic Whisky, Officer's Choice No.1 Brandy and Officer's Choice XXX Rum.
5. The Promoter has over 24 years experience in the alcohol industry. The promoter and his father have been in this business for over three decades.
6. The Company has a captive power generating facility of 700 KW capacity in Behror and 500 KW capacity in Samalkha, resulting in uninterrupted power supply at low cost.
7. The Company has a healthy balance sheet with a networth of Rs. 4683.62 lakhs as at March 31, 2008, Rs. 5976.98 Lakhs as at March 31, 2009 and Rs.6654.62 lakhs as at June 30, 2009 which supports its expansion and modernization programme.
8. In the Country Liquor segment, the Company is one of the established suppliers in the state of Rajasthan and Haryana.

QUANTITATIVE FACTORS (From Audited Restated Financial Statements)**1. Adjusted Earning Per Share (EPS)**

Year	EPS (Rs.)	Weight
2006-07	11.25	1
2007-08	10.58	2
2008-09	10.55	3
Weighted Average	10.68	
Three Months ended 30.06.2009 (Annualised)	22.12	

Note:

- a. EPS calculations have been done in accordance with Accounting Standard 20 – “Earnings per share” issued by the Institute of Chartered Accountants of India.
- c. The weighted average of adjusted EPS for these fiscal years have been computed by giving weights of 1, 2 and 3 for the fiscal years ending March 31, 2007, 2008 and 2009 respectively.

Price Earnings (P/E) Ratio in relation to Issue Price of Rs. 90 (Lower end of the price band)

2.

a. Based on results for Financial Year ended March 31, 2009, EPS of Rs. 10.55	8.53
b. Based on weighted average, EPS of Rs. 10.68	8.43
c. Based on annualised EPS of Rs. 22.12 for 3 months ended 30.06.2009	4.07

Price Earnings (P/E) Ratio in relation to Issue Price of Rs. 100 (Higher end of the price band)

a. Based on results for Financial Year ended March 31, 2009, EPS of Rs. 10.55	9.48
b. Based on weighted average, EPS of Rs. 10.68	9.36
c. Based on annualised EPS of Rs. 22.12 for 3 months ended 30.06.2009	4.52

Industry P/E Ratio

Breweries & Distilleries Industry P/E (*)	
Highest (United Breweries)	58.67
Lowest (Indage Vinters)	2.43
Industry Composite	30.5

(*) – Source: P/E for Industry Composite Capital Market – July 27, 2009 –August 09, 2009 Vol XXIV/11; Breweries & Distilleries Industry. P/E Multiples for highest and lowest is based on Market Price on 14.08.2009 at BSE (Source : BSE Website)

3. Average Return on Net Worth (“RoNW”)

Year	RONW (%)	Weight
2006 – 07	33.95	1
2007 – 08	26.99	2
2008 – 09	21.64	3
Weighted Average	25.48	
Three Months ended 30.06.2009 (Annualised)	40.73	

Note:

The average return on net worth has been computed on the basis of the adjusted profits and losses of the respective years drawn after considering the impact of accounting policy changes and material adjustments/ regroupings pertaining to earlier years.

4. Minimum Return on Increased Net Worth to maintain pre-issue EPS

Minimum Return on Increased Total Net Worth, after Issue, needed to maintain Pre-Issue Weighted Average EPS of Rs. 10.68	[•]
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5. Net Asset Value (NAV) per Share (Rs.)

(a) As at 31.3.2009	48.76
(b) After Issue	[•]
(c) Issue Price	[•]

Notes:

- The Earnings per Share and the average return on net worth has been computed on the basis of the adjusted profits and losses of the respective years drawn after considering the impact of accounting policy changes and material adjustments/prior period items pertaining to the earlier years.
- The denominator considered for the purpose of calculating Earnings per Share is the average number of Equity Shares outstanding during the year.
- Net Asset Value Per Share represents Shareholder's Equity as per restated financial statements less miscellaneous expenditure as divided by number of shares outstanding at the end of the period.
- P/E considered only for Companies, which are active in business in the said sector.

6. Comparison with Industry Peers

Comparison of the accounting ratios of the issuer company as mentioned above with the peer group i.e., companies of comparable size in the same industry are as follows:

Peer Companies @	Equity Capital (Rs. Cr)	Sales (Rs. Cr)	BV (Rs)	EPS (Rs) \$	Market Price on 14.08.09 (Rs.)	P/E #	RONW In %
Associated Alcohol	9.04	105.00	47.50	2.60	19.90	7.65	19.30
Empee Distilleries	19.00	661.90	124.40	7.1	144.75	20.39	10.30
Jagatjit Industries	51.94	593.9	45.0	-	55	-	-
Khoday India	37.65	116.50	26.40	-	50.25	-	-
Radico Khaitan	20.49	655.40	21.6	-	88.25	-	-
Tilaknagar Industries	5.73	232.9	106.30	36.6	183	5.0	41.60
United Spirits	100.16	3847.8	228.8	29.7	895.70	30.16	18.60
Globus Spirits Limited (for FY ended 31.03.2009)	12.26	281.40	48.76	10.55	[•]	[•]	21.64

\$ - Based on EPS of 31.03.09.

- P/E based on Market Price of 14.08.2009 at BSE (Source : BSE Website).

@ - Figures for Globus Spirits are audited figures for year ending March 2009; In case of Empee Distilleries, figures are audited for nine months ended March 31 2009, In cases of Khoday India, Associated Alcohol & United Spirits, figures are unaudited for the year ended March, 2009; In case of all other companies, figures are audited for year ended March 31, 2009.

(*)-Source: Capital Market – July 27, 2009 - August 09, 2009 VolXXIV/11; Breweries & Distilleries Industry

The accounting ratios of companies which are trading at highest and lowest P/E multiples are as follows (not included in above table for comparison as former is a brewery and later is a wine manufacturer):

Name of the Company	Equity Capital (Rs. Cr)	Sales (Rs. Cr)	BV (Rs)	EPS (Rs)	Market Price on 14.08.09 (Rs.)	P/E	RONW In %
United Breweries	24.00	1672.80	35.50	2.6	152.55	58.67	16.30
Indage Vinters	15.27	181.80	191.80	25.2	61.30	2.43	18.90

7. **The face value of the shares is Rs. 10/- and the Issue price is [●] times of the face value.**

The Book Running Lead Manager believes that the Issue Price of Rs. [●] is justified in view of the above qualitative and quantitative parameters. The investors may want to peruse the risk factors beginning from page no. xi of the Red Herring Prospectus and the financials of the Company including important profitability and return ratios, as set out in the Auditors' report beginning from page no. 150 of the Red Herring Prospectus to have a more informed view of the investment proposition.

STATEMENT OF TAX BENEFITS

TAX BENEFITS TO THE COMPANY AND ITS SHAREHOLDERS

The Company has been advised by M/s B.M. Chatrath & Co., Statutory Auditors of the Company, vide their letter dated that under the current provisions of the Income Tax Act, 1961 and the existing laws for the time being in force, the following benefits, *inter alia*, will be available to the Company and the Members. However, the investor is advised to consider, in his/her own case, the tax implications of an investment in the shares from time to time. The statement of tax benefits certificate from the Tax Auditors of the Company is reproduced below:

To
The Board of Directors
M/s Globus Spirits Limited
(formerly Globus Agronics Limited)
C-631, New Friends colony,
New Delhi-110065

Dear Sirs,

We hereby report that the enclosed annexure states the possible tax benefits available to Globus Spirits Limited ("The Company") and its Shareholders under the tax laws currently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its Shareholders to derive tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.

The benefits discussed below are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

- The Company or its shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits have been / would be met with.

The contents of this annexure are based on information, explanations, and representations received from the Company and on the basis of our understanding of the business activities and operations of the Company.

For **B.M. Chatrath & Co.**
Chartered Accountants

(UMESH C. PANDEY)
Partner
Membership No. : 55252

Place: New Delhi
Date : 01.08.2009

TAX BENEFITS

The tax benefits listed below are the possible benefits available under the current tax laws in India. Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the Company or its Shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfil.

I. SPECIAL TAX BENEFITS

The Company and the shareholders enjoy no special tax benefits.

II. GENERAL TAX BENEFITS

As per the existing provisions of the I T Act and other laws, as applicable for the time being in force, the following general tax benefits and deductions are and will, inter alia, be available to the Company and its prospective shareholders:

A. BENEFITS AVAILABLE UNDER THE INCOME TAX ACT, 1961

(i) TO THE COMPANY:

1. Dividends exempt under Section 10(34)

Dividend income (whether interim or final), in the hands of the company as distributed or paid by any other Company, on or after April 1, 2003 is completely exempt from tax in the hands of the Company, under section 10(34) of the IT Act.

2. Depreciation under Section 32

As per provisions of section 32 (1) (ii. a) of the Income Tax Act, 1961 the company would be entitled to additional depreciation @ 20% of the actual cost of new Plant & Machinery during previous year ending on or after 31.03.2005 subject to the fulfilment of other conditions specified under the said section.

3. Income from units of Mutual Funds exempt under Section 10(35)

The Company will be eligible for exemption of income received from units of mutual funds specified under Section 10(23D) of the Act, income received in respect of units from the Administrator of specified undertaking and income received in respect of units from the specified company in accordance with and subject to the provisions of Section 10(35) of the Act.

4. Premium Paid on Health Insurance under Section 36(1)(ib)

In terms of section 36(1)(ib) of the Act, with effect from April 1, 2007, the amount of any premium paid by cheque by the assessee as an employer to effect or to keep in force an insurance on the health of his employees under a scheme framed in this behalf by:

- a) the General Insurance Corporation of India formed under section 9 of the General Insurance Business (Nationalisation) Act, 1972 and approved by the Central Government; or
- b) any other insurer and approved by the Insurance Regulatory and Development Authority established under sub-section (1) of section 3 of the Insurance Regulatory and Development Authority Act, 1999

is deductible expenditure and will accordingly apply in relation to the assessment year 2007-08 and subsequent years.

5. Exemption of Long-Term Capital Gain under Section 10(38)

According to section 10(38) of the Act, long-term capital gains on sale of equity shares or units of an equity-oriented fund where the transaction of sale is chargeable to Securities Transaction Tax (STT) shall be exempt from tax. However, the aforesaid income shall be taken into account in computing the Book profit and income tax payable under section 115JB.

6. Preliminary Expenses under Section 35D

In accordance with and subject to the provisions of section 35D of the Income tax Act, the company will be entitled to amortise, in five equal yearly instalments, all expenditure in connection with the proposed public issue subject to the overall limit specified in the said section.

7. Exemption of Long Term Capital Gain under Section 54EC

According to the provisions of section 54EC of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds, subject to a ceiling of Rs. 50 lakhs, within six months from the date of transfer. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

8. Lower Tax Rate under Section 111A on Short-Term Capital Gains

As per the provisions of section 111A of the Act, short-term capital gains on sale of equity shares or units of an equity oriented fund where the transaction of sale is chargeable to Securities Transaction tax ("STT") shall be subject to tax at a rate of 15 per cent (plus applicable surcharge and education cess).

9. Lower Tax Rate under Section 112 on Long-Term Capital Gains

As per the provisions of Section 112 of the Act, long-term gains that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

10. Benefits under Section 115JAA

Under Section 115JAA(1A) of the Act, tax credit shall be allowed of any tax paid (MAT) under Section 115JB of the Act. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for set-off beyond 5 years succeeding the year in which the MAT becomes allowable.

11. Minimum Alternate Tax (MAT) under Section 115JB

Under Section 115JB of the Act, in case of a company, if the tax payable on the total income as computed under the Income-tax Act in respect of any previous year relevant to the assessment year commencing on or after the April 1, 2001 is less than seven and one-half per cent of its book profit, such book profit shall be deemed to be the total income of the assessee and the tax payable for the relevant previous year shall be seven and one-half per cent of such book profit. However, with effect from April 1, 2007 i.e., in relation to the Assessment Year 2007-08 and subsequent years, if the tax payable on the total income as computed under the Income-tax Act in respect of any previous year relevant to the assessment year commencing on or after the April 1, 2007 is less than ten per cent of its book profit, such book profit shall be deemed to be the total income of

the assessee and the tax payable for the relevant previous year shall be ten per cent of such book profit.

(ii) BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS:

1. Exemption under Section 10(34)

Dividend (whether interim or final) declared, distributed or paid by the Company is completely exempt from tax in the hands of the shareholders of the Company as per the provisions of section 10(34) of the IT Act.

2. Exemption of Long-Term Capital Gain under Section 10(38)

Under Section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company or unit of an equity oriented mutual fund (i.e. capital asset held for the period of twelve months or more) entered into in a recognized stock exchange in India and being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax.

3. Exemption of Long Term Capital Gain under Section 54EC

According to the provisions of section 54EC of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds, subject to a ceiling of Rs. 50 lakhs, within six months from the date of transfer. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

4. Exemption of Long term Capital Gain under Section 54F

According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a Hindu Undivided Family ('HUF'), gains arising on transfer of a long term capital asset ((not covered by sections 10(36) and 10(38)) and not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested within the prescribed period in a residential house, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

5. Rebate under Section 88E

Section 88E provides that where the total income of a person includes income chargeable under the head "Profits and gains of business or profession" arising from taxable securities transactions, he shall get rebate of Securities Transaction Tax paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

6. Lower Tax Rate under Section 111A on Short-Term Capital Gains

As per the provisions of section 111A of the Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to Securities Transaction Tax shall be subject to tax at a rate of 15 per cent (plus applicable surcharge and education cess).

7. Lower Tax Rate under Section 112 on Long-Term Capital Gains

As per the provisions of Section 112 of the Act, long term gains that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

(iii) BENEFITS AVAILABLE TO NON RESIDENTS/ NON-RESIDENT INDIAN SHAREHOLDERS (OTHER THAN MUTUAL FUNDS, FIIS AND FOREIGN VENTURE CAPITAL INVESTORS)

1. Exemption under Section 10(34)

Under Section 10(34) of the Act, income earned by way of dividend from domestic company referred to in Section 115-O of the Act is exempt from income tax in the hands of the shareholders.

2. Exemption under Section 10(38)

Under Section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to Securities Transaction Tax. However, the aforesaid income shall be taken into account in computing the Book profit and income tax payable under section 115JB.

3. Exemption of Long Term Capital Gain under Section 54EC

According to the provisions of section 54EC of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds, subject to a ceiling of Rs. 50 lakhs, within six months from the date of transfer. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

4. Exemption of Long Term Capital Gain under Section 54F

According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a Hindu Undivided Family ('HUF'), gains arising on transfer of a long term capital asset ((not covered by sections 10(36) and 10(38)) and not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested within the prescribed period in a residential house, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

5. Rebate under Section 88E

As per the provisions of section 88E, where the business income of an assessee includes profits and gains from sale of taxable securities, a rebate shall be allowed from the amount of income tax equal to the Securities Transaction Tax paid on such transactions. However, the amount of rebate shall be limited to the amount arrived at by applying the average rate of income tax on such business income.

6. Lower Tax Rate under Section 111A on Short-Term Capital Gains

Under section 111A of the Act and other relevant provisions of the Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short-term capital gains arising from transfer of shares in a Company, other than those covered by section 111A of the Act, would be subject to tax as calculated under the normal provisions of the Act.

7. Lower Tax Rate under Section 112 on Long-Term Capital Gains

Under section 112 of the Act and other relevant provisions of the Act, long term capital gains, (other than those exempt under section 10(38) of the Act) arising on transfer of shares in the Company, would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess) after indexation. The amount of such tax should however be limited to 10% (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.

Where shares of the Company have been subscribed in convertible foreign exchange, Non-Resident Indians (i.e. an individual being a citizen of India or person of Indian origin who is not a resident) have the option of being governed by the provisions of Chapter XII-A of the Act, which inter alia entitles them to the following benefits:

8. Under section 115E, where the total income of a non-resident Indian includes any income from investment or income from capital gains of an asset other than a specified asset, such income shall be taxed at a concessional rate of 20 per cent (plus applicable surcharge and education cess). Also, where shares in the company are subscribed for in convertible foreign exchange by a Non-Resident India, long-term capital gains arising to the non-resident Indian shall be taxed at a concessional rate of 10 percent (plus applicable surcharge and education cess). The benefit of indexation of cost and the protection against risk of foreign exchange fluctuation would not be available.
9. Under provisions of section 115F of the Act, long term capital gains (in cases not covered under section 10(38) of the Act) arising to a non-resident Indian from the transfer of shares of the Company subscribed to in convertible Foreign Exchange (in cases not covered under section 115E of the Act) shall be exempt from Income tax, if the net consideration is reinvested in specified assets or in any savings certificates referred to in section 10(4B), within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.
10. Under provisions of section 115G of the Act, it shall not be necessary for a Non- Resident Indian to furnish his return of income under section 139(1) if his income chargeable under the Act consists of only investment income or long term capital gains or both; arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the Act.
11. As per Section 90(2) of the Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the Non-Resident/ Non- Resident India would prevail over the provisions of the Act to the extent they are more beneficial to the Non- Resident/ Non-Resident India.

(iv) BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FIIs')

1. Under Section 10(34) of the Act, income earned by way of dividend from domestic company referred to in Section 115-O of the Act is exempt from income tax in the hands of the shareholders.
2. Under Section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to Securities Transaction

Tax. However, the aforesaid income shall be taken into account in computing the Book profit and income tax payable under section 115JB.

3. According to the provisions of section 54EC of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds, subject to a ceiling of Rs. 50 lakhs, within six months from the date of transfer. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.
4. The income by way of short term capital gains or long term capital gains [in cases not covered under section 10(38) of the Act] realized by FIIs on sale of shares of the company would be taxed at the following rates as per section 115 AD of the Act
 - Short term capital gains, other than those referred to under section 111A of the Act shall be taxed @ 30% (plus applicable surcharge & education cess).
 - Short term capital gains, referred to under section 111A of the Act shall be taxed @ 15% (plus applicable surcharge and education cess)
 - Long Term capital gains @ 10% (plus applicable surcharge and education cess) (without cost indexation)

It may be noted here that the benefits of indexation and foreign currency fluctuation protection as provided by section 48 of the Act are not applicable.

5. Section 88E provides that where the total income of a person includes income chargeable under the head "Profits and gains of business or profession" arising from taxable securities transactions, he shall get rebate of STT paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.
6. As per section 90(2) of the Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FII would prevail over the provisions of the Act to the extent they are more beneficial to the FII.

(v) BENEFITS AVAILABLE TO MUTUAL FUNDS

As per the provisions of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India would be exempt from income tax. However, the Mutual Funds shall be liable to pay tax on distributed income to unit holders under Section 115R of the Act.

(vi) VENTURE CAPITAL COMPANIES / FUNDS

In terms of section 10(23FB) of the Act, all Venture capital companies/funds registered with Securities and Exchange of India, subject to the conditions specified, are eligible for exemption from income tax on all their income, including profit on sale of shares of the Company.

B. BENEFITS AVAILABLE UNDER THE WEALTH TAX ACT, 1957

Shares of the Company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957, hence no Wealth Tax will be payable on the market value of shares of the Company held by the shareholder of the Company.

C. BENEFITS AVAILABLE UNDER CENTRAL EXCISE TARIFF

In respect of the Capital goods and allied machinery being purchased for ongoing projects, the benefit of Cenvat credit is available under Rule 4 of the Cenvat Credit Rules, 2004 subject to fulfilment of the conditions specified.

Notes:-

1. The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;
2. The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws as amended by the Finance Act, 2006 presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;
3. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue;
4. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and
5. The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.
6. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the issue.

For **B.M. Chatrath & Co.**
Chartered Accountants

(UMESH C. PANDEY)
Partner
Membership No. : 55252

Place: New Delhi
Date : 01.08.2009

SECTION IV:

ABOUT THE ISSUER COMPANY

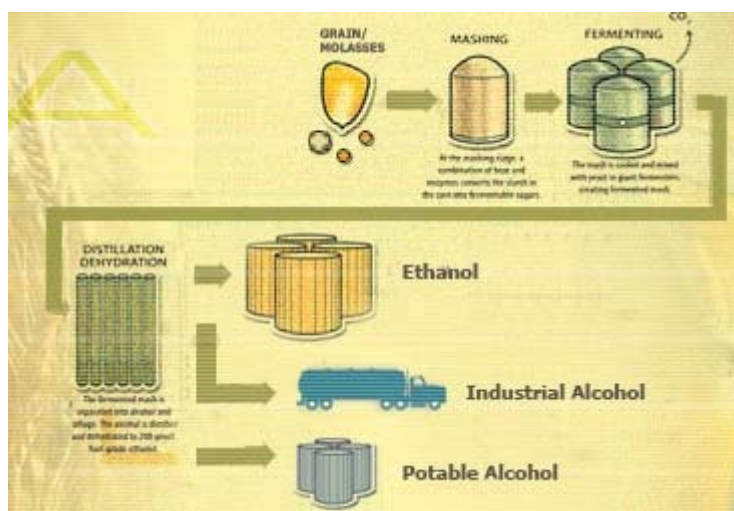
INDUSTRY OVERVIEW

Manufacture of alcohol

Alcohol is a member of a class of organic compounds containing carbon, hydrogen and oxygen, considered as hydroxyl derivatives of hydrocarbons, produced by the replacement of one or more hydrogen atoms by one or more hydroxyl (-OH) GROUPS. (Source: *About Distillery Industry of India* from www.aidaindia.org/aida/about_distillery.html)

In India, the bulk of alcohol is being produced from sugarcane molasses. Molasses is a thick viscous bye-product of the sugar industry, which is acidic in nature, rich in salts; dark brown in colour and it also contains sugar, which could not be crystallized.

For manufacturing alcohol, the Molasses is diluted with water into a solution containing 15-16% of sugar. This solution is then inoculated with yeast strain and is allowed to ferment at room temperature. The fermented wash is distilled in a series of distillation columns to obtain alcohol of adequate/ requisite strength and quality/ specification. This alcohol is used for various purposes, both potable and industrial. For manufacture of alcoholic beverages, the alcohol is, if required, matured and blended with malt alcohol (for manufacture of whisky) and diluted to requisite strength to obtain the desired type of liquor/ Indian Made Foreign Liquor (IMFL). This is then bottled in bottles of various sizes for the convenience of consumers.



(Source: www.aidaindia.org)

India is the third largest market for alcoholic beverages in the world. It has over 295 distilleries, which are scattered throughout the country, having an installed capacity for production of 3,540 million litres of alcohol. There has been a steady increase in the production of alcohol in the country, with the production doubling from 887.2 million litres in 1992-93 to 1,654 million litres in 1999-2000 and is estimated to treble to 2300 million litres by 2007-08. The licensed capacity is concentrated mainly in 3 states, viz., Uttar Pradesh, Maharashtra and Tamilnadu. (source: www.aidaindia.org/public/AboutAida.php & www.ptinews.com)

According to the Reserve Bank of India's latest Report on 'State finances: A study of budgets of 2006-07', Liquor (Excise) alone is slated to yield Rs. 29,533.48 Cr, making it the largest revenue source for the States after Sales Tax (being Rs. 1,20,709.15 Cr).

Status of alcohol industry in India

In earlier years the policy of the Indian government was to discourage the consumption of alcoholic beverages. This even went so far as to involve total prohibition in some states. However, the resulting problems of illicit distillation, the leakage of government excise revenue and the problems involved in enforcement, led to a review of this policy.

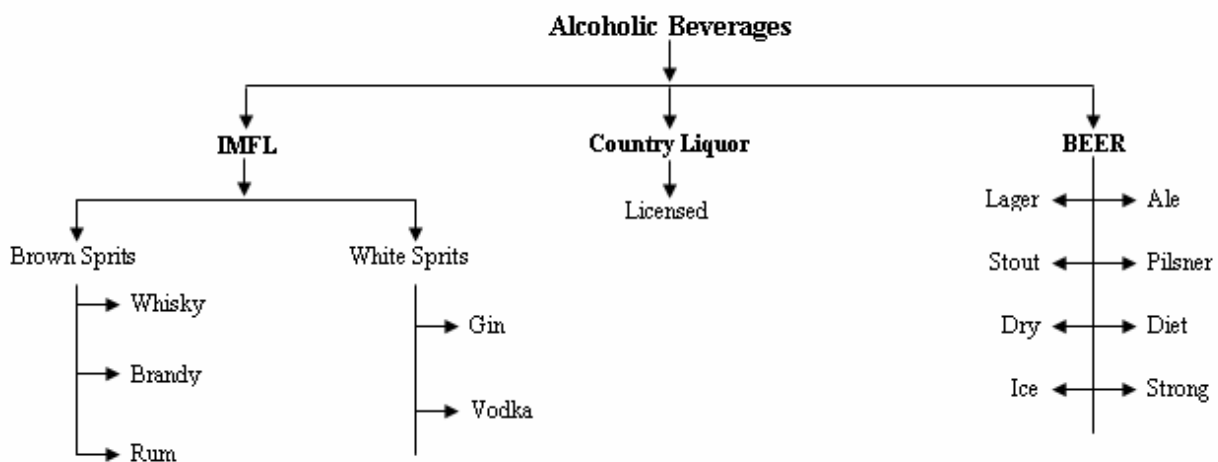
The import of potable alcohol is subject to government licensing. Alcoholic drinks carry a very heavy tax burden which is itself a major source of revenue for state governments. Liquor manufactured in India is categorised as beer, country liquor and Indian Made Foreign Liquor (IMFL). IMFL production includes wines, whisky, rum, vodka, gin and brandy. Draught beer has been recently introduced and has done well in the places in which it has been introduced. Canned beer is an even more recently introduced new beverage.

Production of Alcohol drinks from non-molasses sources is very small in the country compared to the total production of Alcoholic drinks. It is in this context that Government of India encourages foreign investments as well as upgradation of technology in the field of non-molasses based alcoholic drinks and beer, provided the Indian partner is in possession of a valid Industrial License under Industries (Development & Regulation) Act, 1951. (Source: Ministry of Food Processing Industries, Government of India)

According to the Reserve Bank of India's latest report on 'State finances: A study of budgets of 2006-07; liquor (excise) alone is slated to yield Rs. 29,533.48 crore, making it the largest revenue source for States after sales tax (Rs. 1,20,709.15 crore). (Source: AIDA Newsletter, February, 2007)

The alcohol industry is very important from the Government's revenue perspective. It generates an estimated Rs. 30,000 crores per annum in spite of the fact that the per capita consumption of liquor in India ranks among the lowest in the world. Indian Made Foreign Liquor (IMFL) accounts for only a third of the total liquor consumption in India. Most IMFLs are cheap and are priced below Rs. 200 per bottle. Alcohol sales proceeds account for 45% of the total revenue collection in the country. Whisky accounts for 60% of the liquor sales; while rum, brandy and vodka account for 17%, 18% and 6% respectively. MNC's share is only 10% and they have been successful only in the premium and super premium range. (Source: A Tipsy Liquor Policy by. H.B. Soumya; from www.ccsindia.org/RP01-6.html)

Industry Structure and Developments



In India, alcohol is largely produced from sugarcane molasses. The value chain in a distillery industry comprises of raw material suppliers (Sugar Mills), distillers, and intermediaries (Govt., wholesalers and retail dealers). The important end users are institutional (e.g. Armed Forces) and retail buyers.

The distillery industry today consists broadly of two parts, one - potable liquor and two - industrial alcohol.

In India alcohol is largely produced from sugarcane molasses. The industry is cyclical in nature, as sugarcane production itself is affected every 3-4 years with monsoon and other factors, resulting in low availability of molasses. (*Source: Financial Appraisal Report of SBI dated September 5, 2008*)

Industrial Alcohol is a source of raw material for various alcohol-based chemical industries and is used in manufacture of ethyl acetate, mono ethylene glycol, acetic acid, various esters and pesticides. It also finds extensive use in the pharmaceutical and paints industry. There is a huge demand for these products in the market.

Liquor industry is unique as there are certain key variable factors that influence its viability and growth such as duty structures, excise rules and regulations, product-pricing, marketing initiatives to promote the brand, distribution and several regulatory issues like licenses to manufacture, labelling etc. On issues of excise and duties, these are fast coming to World Trade Organization (WTO) levels. The industry does not have many entry barriers and with the opening up of the economy there are multiple ways of market entry; it could be Bottled in India (BII) or Bottled in Origin (BIO) or Bulk Import and locally bottled. While this will enable world-class quality brands to enter India, there is a fear that the stagnating markets overseas may trigger dumping of cheap liquor into the Indian market, which will not be a healthy trend for both the Indian consumer as well as the domestic liquor players.

Taxation being a major contributing factor to the increase in the price at the consumer level, the trend to go in for cheaper products in key whisky and rum segment has been on the increase of late. The lower category whisky segment has been growing rapidly in recent years.

The lower per capita consumption in India, the high volume in the unorganized cheap segment of the spirits business with its likely transition into the organized sector, the changing consumer perception of alcohol and the progressive regulatory changes are the key drivers to the growth of this industry.

The IMFL market primarily comprising of Whisky, Rum, Brandy, Gin and Vodka, has grown over the past decade.

The IMFL industry in India is estimated at over 160 million cases and is growing steadily. Consumption is largely skewed towards whisky, which accounts for more than half of the market. The whisky segment is further classified into Scotch, Super Premium, Premium, Prestige/Deluxe, Regular, Medium and Cheap segment. Brandy, Rum and Whites (Gin, Vodka and others) account for the balance.

The Country Liquor market is basically a regional market and there exist a large number of small manufacturers spread across various States. Major IMFL manufacturers, however, have a countrywide presence.

Indian Market: Present Status & Products

Currently the industry is dominated by 3 brewers, the United Breweries, Shaw Wallace and Mohan Meakins. However, a number of international brewers are starting to become established. Joint ventures will continue to be more important as the distribution network in India is complex.

There are around 23,000 licensed liquor outlets in India, with another 10,000 outlets such as bars and restaurants. States vary as to their treatment of liquor and there are restrictions on the transfer of alcohol between states. In Tamil Nadu, Kerala and Andhra Pradesh the distribution is controlled by the state government, which enables changes in political parties to dramatically affect the availability of alcohol. In Andhra Pradesh a change of government resulted in a ban on the sale of alcohol in the state, while in Uttar Pradesh, Rajasthan and Punjab, liquor distribution licenses are auctioned to the highest bidder. Such a system encourages market concentration by favouring existing suppliers. Only in states such as Maharashtra, where distribution is relatively open, are new entrants able to compete effectively. Draught beer is popular in Mumbai and Bangalore and in these cities a large number of pubs and bars operate. (*Source: Ministry of Food Processing Industries, Government of India; <http://mofpi.nic.in/industryspecificinformation>*)

Whisky and Other Spirits

In India Country Liquor and IMFL (Indian-Made Foreign Liquor) cater to two quite different sectors of the liquor market. Country liquor is consumed in rural areas and by low-income

groups in urban areas. IMFL is consumed by the middle and high income groups, primarily in urban areas.

As was found to be the case with beer; so it is with whisky. Increasingly more and more of the major international liquor companies are introducing new brands in India through local joint venture arrangements. These include the following new whisky brands:

- Allied Domeq with Clan Morgan & Co to produce Teachers Brand Scotch Whiskies.
- IDV (Grand Met.) with Polychem Limited to produce Spey Royal Scotch Whiskey.
- United distillers with U.B.Group to produce Black & White, Blend 69, Black Dog & Vat 69.
- Seagram with Seagram India to produce Something Special, 100 Pipers Scotch Whiskey.
- McDonald & Muir with Mohan Meakins to produce Highland Queen Scotch Whiskey.
- White spirits are considered by many observers to be the next major growth sector.

(Source: Ministry of Food Processing Industries, Government of India;
<http://mofpi.nic.in/industryspecificinformation>)

Wine

It is only very recently that wine has begun to be produced on a significant scale in India. Its production takes place in both the organised and the household sectors. Sparkling wine is also manufactured in India. However, this is intended for the export market and the volumes involved are small. (Source: Ministry of Food Processing Industries, Government of India;
<http://mofpi.nic.in/industryspecificinformation>)

In growth terms an IWSR Report, 2006, noted that the wine industry in India was growing at 25-30% annually as compared to the 7-8% growth in China and 2-3% worldwide. Across India, out-of home consumption is on the rise, which is important for the wine industry. Pubs, bars, restaurants and five-star hotels are the primary wine selling outlets with 63% of sales volume coming from these channels.

But compared to the rest of Asia, the percentage of wine consumption in India is still low. IWSR 2006 reported that 'India accounted for 0.8% of the total wine consumption in Asia as compared to China, which accounts for more than 62.7% market share'. More than 80% consumption remains confined to metros – Mumbai 39%, Delhi 23%, Bangalore 9% and Goa 9%.

Market Characteristics

- Preference for brown spirits (molasses flavour) in Indian market
- Liquor packed in 180, 375, 500, 750 and 1000 ML bottles - glass and plastic bottles. 180 ML and 750 ML are fast moving
- Guala caps on bottles to prevent bootlegging
- Brand building very important
- Yet avenues limited - advertising of liquor banned in most media
- Promotions, sponsorships, surrogate advertising (sometimes) done to build brands

State Specific Business

- a) India is marked with state-specific business situation, which is most unlikely to change rapidly, or in the medium-term, and possibly not at all, because:
- b) Liquor is a vital element in each state's revenue.
- c) The states strongly resist Central Government dictated changes.
- d) There is a strong philosophical and/or religious hostility to alcohol among many states' voters.
- e) In 1995, Andhra Pradesh voted in a government that promised and enforced prohibition and very cheap rice. By end 1996, it was bankrupt and lifted prohibition in mid 1997. Haryana also enforced prohibition from July 1996, but abandoned it in April 1998. Criminality boomed in these periods.
- f) Changing laws or reducing taxes on alcohol is never a vote winner; and is, therefore, avoided.
- g) Most states raised liquor taxes from 1994 onwards, with a pause in 1995, but 1997 saw more increases, particularly in the key Maharashtra market, where the state claimed to have increased its revenue from alcohol in 1997. Since then Maharashtra has taken a more moderate view in order to conserve revenue.

(Source: The IWSR 2006 Report; Date of Publication March 2006)

Government Policy & Regulations

The Indian potable alcohol market has high entry barriers, largely due to government regulations. The policies and levies on alcohol vary from State to State. In most of the States, the distribution of alcohol is regulated by the concerned State Government.

Being a state subject; within India itself, the policy on alcohol retail differs from state to state. While some states such as Maharashtra, Uttar Pradesh, and Tamil Nadu have a liberal policy, other states such as Haryana and Andhra Pradesh have had very bitter experiences in trying to make these states dry and have eventually had to withdraw the policy.

Each State levies taxation and duties on alcohol at its own decided rates. Each State also levies excise duties and also regulates distribution channels of alcohol in its own way. Liquor happens to be a major contributor to the state's exchequer. Some states, have, in the past, taken firm action in terms of banning the sale of alcohol within their state, but their decision had its own political fallout, and the ban had to be withdrawn. The state of Andhra Pradesh, in 1995, enforced prohibition and it had to lift prohibition in mid 1997. Similarly, the state of Haryana also enforced prohibition in 1996, but had to withdraw its decision in April 1998. As per AIDA 2004 Report, Whisky is the basic IMFL spirit, and it continues to grow.

Majority of the State Governments have realized, over a period of time, the futility of enforcing prohibitions in their respective states. Prohibition has bred crime and jeopardized the economies of various states.

The Indian alcohol industry comprises Indian Made Foreign Liquor (IMFL) like Whisky, Rum, Brandy, Gin, Vodka, which together sell 100 million cases a year; Beer sells 90 million cases per year and Wine sells only around 5 lakh cases per year.

India is emerging as the largest global market for whisky, registering sales of more than 60 million cases per annum. Other spirits (Brown – Brandy/Rum; White – Gin, Vodka, Rum) constitute the rest 40% of IMFL market. Of late, white spirits, although currently placed at only 5% of the market are growing at a much faster pace of 40% p.a. as against 10% p.a. growth of the overall IMFL market.

(Source: Financial Appraisal Report of SBI dated September 5, 2008)

Raw Materials / Inputs:

India is the largest producer of sugarcane in the world and sugar industry is the second largest agro-based industry of our country, textiles industry being the largest. Production of molasses has increased from 0.4 million tonnes in 1950-51 to 8.29 million tonnes in 1995-96. The Government has already decontrolled the prices and movement of molasses.

(Source: Financial Appraisal Report of SBI dated September 5, 2008)

Advertising

Advertising of alcohol and alcohol-related products is officially banned and considered illegal. Major liquor manufacturers, however, spend heavily on surrogate brands under the same brand names such as glasses, mineral water, music items, fashion articles etc. Satellite and cable television however, being uplinked from outside India, have allowed liquor advertising by Indian brands.

Distribution

As regards the distribution system, all outlets have to be licensed; Wholesalers, Retailers, Bars and Restaurants, and Bonded Warehouse operators. The Distribution system is still the same for Beer as for Spirits and Wine. They pay the, varying, States licence fees. These can, at present, only sell Indian-made Liquor over most States. It continues to be expected that Beer and Wine may shortly be permitted to sell in more outlets.

In some States, licenses for selling alcoholic beverages are allotted through auction. At present, India has around 40,000 licensed retail alcoholic beverage outlets *(Source: Financial Appraisal Report of SBI dated September 5, 2008)*

Market

The industry, over the years, has changed from a seller's market to that of a buyer's market. With a variety of brands being available, major brand build-ups, media hype and information flow have influenced the behavioural pattern of the consumers/buyers, who are more discerning and see value for money. India, as a nation, has undergone a sea change. At a time in the past when liquor was typically looked down upon, with changing lifestyles and urbanization of our towns and cities, it is no more taboo to be seen drinking. In fact, it has rightly or wrongly enhanced the status. Women and teenagers too have started indulging in social drinking.

The consumer today has a number of choices in terms of liquor and brands. The liquor industry itself is highly segmented; depending on how much one can spend. There is a brand and price catering to each class of society. The market is highly competitive with many local and international players vying for a share in the market.

There are primarily three types of market in the liquor industry.

- i. **Government Market:** Here the state government is the wholesale distributor of liquor and they purchase directly from the company.
- ii. **Auction Market:** In an auction market, the state is split into many smaller geographical segments. The government auctions the right to distribute and retail liquor in those areas for a specific period, to private entities. This auction is based on the minimum guaranteed tariff payment to the government over the specified period. Wholesale operations and retail outlets are owned/operated only by those parties that win the auction for that particular area. The private entities that win the auction for a specific area subsequently negotiate with liquor manufacturers to acquire liquor at competitive prices. Typically, all auction winners enter into inter-se arrangements to procure liquor at most competitive prices, and retail the same at relatively higher prices to recover minimum guarantees committed by them to the government during the auction process.
- iii. **Open Market:** In an Open market, there is no government intervention in the pricing and distribution of liquor. The manufacturers sell liquor to the wholesaler/distributor who in turn sell it to the retail outlets. Market forces determine pricing. The government issues wholesale/retail licenses for a fee.

INDIA - Market Commentary

General

In 2005, the widespread feeling of optimism grew, due to the economy's strength, the apparent commitment of the government to an open market economy, and the following fall in interest rates from 12% to 7% in 2003.

- The main complication was the sudden surge in the price of molasses-based alcohol in 2004: this drove some Low-Price, minimal margin, brands off the market. The price came down in 2005, but is still higher than in the past.
- The Still Wine market continues its expansion +63.4% on 2004, but the real growth is much smaller than much press coverage suggests. The real market for grape wines (including airlines and Duty Free) is approximately 215,000 cases, of which 105,000 cases are Indian (not all from varietal grapes). The market has more than doubled from 63,000 cases in 1995. Younger richer Indians as well as tourists, have become consumers. There are persistent rumours of a reduction in taxes.
- A further 375,000 cases of composite wines are sold (including communion wines over the Christian parts of the South).
- A steadily rising 50,500 cases of Sparkling Wine were consumed in 2005, largely at weddings (80% is produced in India). Champagne rose to around 7,500 cases. Most of this is airline business, with some luxury hotel and Duty Free leaks.
- This major whisky market (the largest in the world) resumed growth (+5.5%) after it had ceased to grow in 2004 due to rocketing prices of molasses used for the base spirits. This killed off several major brands in the lower price category of Indian whisky, which now takes only 27% of sales as some 'Regular' brands cut prices to boost sales.

- Scotch rose by 7.0%. Scotch brands Bottled-in-India rose by 5.1%, and Bottled-in-Scotland imports rose +10.4%. There was more growth in smuggled 12-Year Old and Malts than in Standard brands, as the economic and political outlook improved markedly.
- Gin (99.5% Indian) rose by 5.0% due to the promotion of high strength flavoured Gins which rose by 20.3%.
- The Vodka market rose strongly by +67% as leading Indian brands promoted strongly and imports continued to rise. The category is now only slightly smaller than Gin. Tequila is returning on a very small scale after having almost vanished from the market in 2001 and 2002.
- Rum recovered and rose by 8% in 2005, as molasses prices moderated. It is now the number 1 rum market in the world (if Cachaca is left out of the calculation).
- Brandy (non-grape) rose by 8.5% as molasses prices fell back. Both brandy and rum benefited in the South from the ban on Country Liquor in Tamil Nadu and some smaller states in 2001.
- Flavoured spirits rose +6.6%, with a fall in imports, and growth in local Indian specialities.
- RTD's sales fell back (even though Bacardi Breezers sold into more states): Other RTD's flopped due to high price and low 'kick'.
- Beer rose strongly by 13% in 2005, as the shortage of returnable glass bottles ceased. The future is seen as very bright, if the promised re-assessment of taxation levels versus spirits takes place. Imports only take 0.05% of Beer sales. The Strong Beer segment continued to rise, taking 65.0% of all beer sales in 2005.

(Source: *The IWSR 2006 Report*; Date of Publication March 2006)

The upwardly young population with prosperity to spend is guzzling booze like never before. Consumption of beer has jumped 51% from 70 million cases in 2002 to 105 million cases in 2006 while consumption of Indian made foreign liquor (IMFL) grew 53% to 115 million cases during the period. The country has one of the youngest populations, with around 50% citizens below 25 years. A free media and increasing exposure to western influences have lifted the stigma off liquor consumption, while rising income is stocking the shift from country liquor to more refined varieties, said a report by SSKI Research. Alcohol consumption tends to begin at age 16-18 in India and peak at 30-35. India's 18-35 year age group is currently 247 million strong and growing at 3.4% per annum. With a net addition of another 40 million to this segment over the next five years, alcohol demand will aggregate 40 million cases over FY05-10. Of this, IMFL will account for about 45-50%, owing to the higher aspiration levels of the new generation. In FY05 McDowell was the dominant player in the IMFL market with a consolidated share of 55% followed by Radico Khaitan of 10%. In third and fourth position were Mohan Meakin and Jagatjit Industries. (Source: *The Times of India, Mumbai, January 8, 2007*; http://timesofindia.indiatimes.com/NEWS/India_Business/Young_India_high_on_liquor_consumption/articleshow/1085620.cms)

Rising inflation will impact the alcohol industry. India being a price sensitive market the alcohol industry also has to face the consequences of this economic slowdown. Not only has the industry to contend with weakening consumer sentiment but also a hike in raw material costs. A hike in the price of extra neutral alcohol (ENA), a key ingredient for IMFL has resulted into a significant price rise of many IMFL brands. As per report, many brands will have to hike their retail prices by at least Rs 10 a bottle.

Source: http://www.ambrosiaindia.com/current-issue/default.asp#Rising_inflation_hits_the_alcohol_industry

Ethanol:

Ethanol (ethyl alcohol, grain alcohol, ETOH) is a clear, colourless liquid with a characteristic, agreeable odour. Ethanol, CH₃CH₂OH, is an alcohol, a group of chemical compounds whose molecules contain a hydroxyl group, -OH, bonded to a carbon atom.

The Government of India has amended the control order regulating the supply and distribution of petrol to enable doping of 5 per cent ethanol in petrol. Five per cent ethanol doped petrol has been made mandatory in nine sugarcane-producing states and four Union Territories from January 1, 2003. The blended fuel called 'Gasohol' would be supplied through 11538 retailing outlets in 9 states and four union territories. This has thrown up immense opportunities for industrial alcohol. (Source: *Government Notification vide no. P-45018/28/2000-CC in the Gazette of India Extraordinary (Part I-Section I) issued by the Ministry of Petroleum and Natural Gas Resolution dated 3rd September, 2002*)

Ethanol as a Fuel

Ethanol is used as an automotive fuel by itself and can be mixed with gasoline to form what has been called "gasohol" **FUEL ETHANOL**- the most common blends contain 10% ethanol and 85% ethanol mixed with gasoline. Over 1 billion gallons of ethanol are blended with gasoline every year in the United States. Because the ethanol molecule contains oxygen, it allows the engine to more completely combust the fuel, resulting in fewer emissions. Since ethanol is produced from plants that harness the power of the sun, ethanol is also considered a renewable fuel. Therefore, ethanol has many advantages as an automotive fuel. (Source: www.ethanolindia.net)

A major contribution to the improving prospects for the Brazilian alcohol industry has been made by flex fuel cars. These cars which are able to run on any mixture of hydrous and anhydrous alcohol as well as gasoline have proved to be enormously popular. Introduced in March, 2003, sales in the first 13 months (March/March) have risen to almost 95,000 units, which compares with 37,000 units for ethanol-only powered vehicles sold in the same period. Forecasts for the future development of sales are similarly optimistic. The Association of Car Manufacturers in Brazil – Anfavea – expects to see the market share of flex fuel vehicles rising to 23% by 2008. Meanwhile, all the country's major car manufacturers have flex fuel engines in their ranges. As a result, the Association of Sugar Cane Growers in the state of Sao Paulo – Unica – anticipates total fuel alcohol consumption in Brazil rising to almost 17 billion litres by 2010 from the current 11.5 billion litres. (Source: *All India Distillers' Association, July 2004, Volume IV, Issue 7*)

Risks and concerns/opportunities and threats

In India, excise duty on alcohol is a State levy, not a Central levy and each State has its own control measures to determine the excise duty structure and also the distribution system of potable liquor. Moreover, inter-state sales of IMFL attract export duty in the state of manufacture and import duty in the state of sale. This results in high prices at the consumer level and acts as a big trade barrier. Therefore, for all practical purposes, a Company has to have a manufacturing set up of its own or a bottling tie-up in a State to sell in that particular State in order to maintain economic and commercial viability.

State level levies prevent economies of scale, increase costs and inefficiencies, hamper growth and reduce government collections. Steps have been undertaken to introduce uniform excise duty across the States and revenue sharing agreement for all Inter-State sales. When these regulations are put in place, they will provide a stimulus for the growth of the liquor industry in India.

The liquor industry is suffering from over-taxation and over-regulation, which has impeded the profitability even in the face of continuing growth in demand for liquor products. Further widening the scope of service tax and increase in the rate of service tax has had a direct impact by way of increased expenditure on the Company.

Distribution of IMFL is also regulated in some states either through auctions or through government procurement agencies (as in Tamil Nadu and Andhra Pradesh etc.) These regulations create monopolistic environment, stifle entrepreneurship spirit and hamper growth.

The present distribution system is affecting the revenue collections of the states, and the state governments are increasingly looking to liberalize the distribution system. Uttar Pradesh is a good case in point where the excise revenues witnessed a substantial jump once the distribution system was de-regulated in financial year 2001-02. Stagnating excise revenues (from liquor) are also forcing state governments to re-look at archaic systems.

Recently, Madhya Pradesh and Rajasthan Governments had also de-regulated the IMFL distribution system to improve its revenue collections.

The industry is also constrained to cope with a ban on advertising of products. Advertising, the most effective tool for building brands and communication about products has been denied to the liquor industry.

Keeping with its commitment with WTO, The Government of India has been consistently reducing the import duty on foreign liquor and spirits, although some measures of protection have been granted by the imposition of countervailing duties. Lowering of duties has facilitated the entry of large liquor MNCs in India and the domestic brands are beginning to loose

substantial market share to India specific brands of MNCs. However, new avenues may open for the established domestic companies for entering into manufacturing/marketing tie-ups with the MNCs who want to have presence in India.

Future Growth of the Industry

Demand drivers for alcohol industry:

1. Population growth
2. Rise in income levels leading to increased consumption.
3. Increase in purchasing power has led to more consumption of lifestyle products like alcoholic beverages etc.
4. Growing consumer preferences for high quality of alcoholic beverages.
5. Lowest per capita consumption.
6. Fuel ethanol requirement in India and abroad.
7. Demand for petrol expected to grow.
8. Net increase in population; besides this average age of initiation into drinking is coming down.
9. Ethanol required at 5% blending with petrol would be required, which is likely to scale up demand.

With rapid growth in the middle class segment, increasing consumerism, rising disposable income levels, rising standards of living, increase in number of discerning customers, and increase in the number of liquor brands and categories available to the consumer, there will invariably be an increased growth of all segments of liquor industry.

The foreign players are likely to have market grip over the super premium and premium segments and the Indian manufacturers would see a reduced market share. The domestic majors will nevertheless upgrade the large Country Liquor market into IMFL. Local players have all along dominated the Country Liquor segment wherein there are no large players or multinationals coming in to this specific segment.

Even amongst the various IMFL segments, Vodka, White Rum, and Brandy are expected to grow at above-industry growth rates albeit on a very low base.

Industry Outlook:

The demand for Alcoholic Beverages has been growing at a steady pace of approximately 10% p.a. and (this growth rate) is expected to continue to grow at this rate in the future. Supply is expected to match the demand over the medium term. The overall profitability of the industry would continue to be subject to the prices of molasses and the extent of competition besides the duties levied by State Governments. (*Source: Financial Appraisal Report of SBI dated September 5, 2008*)

BUSINESS OVERVIEW

Globus Spirits Limited is engaged in the business of manufacture, marketing and sale of Industrial Alcohol comprising Rectified Spirit and Extra-Neutral Alcohol, Country Liquor, and Indian Made Foreign Liquor (IMFL). The Company has established its identity in Country Liquor and IMFL business with steady growth and production of high quality liquor. The Company has a brand portfolio of its own in the Country Liquor segment such as Rana, Rajasthan No.1, Ghoomar, Samalkha No.1, Samalkha Ki Saunfi, Kinnu etc; and in IMFL segment such as White Lace Duet Gin, Samurai Premium Whisky, 20-20 Premium Whisky, GR 8 Times Whisky, Hannibal Legendry Rum etc. The Company also caters to reputed Indian brands in the IMFL segment such as Officer's Choice Prestige Whisky, Officer's Choice Classic Whisky, Officer's Choice No.1 Brandy and Officer's Choice XXX Rum. The Company has already launched its own IMFL brands in Haryana, Rajasthan, Chandigarh, Uttar Pradesh, Kerala, Andhra Pradesh and Karnataka. It proposes to launch the brands further in two states/Union territory in North India and one state/Union Territory in South India.

The Company was incorporated vide Registration No. 55-52177 of 1993 on February 16, 1993 with the Registrar of Companies, Delhi & Haryana, as a limited liability company. The registered office of the Company is situated at C-631, New Friends Colony, New Delhi – 110065. The main business of the Company is to carry on business as manufacturers, fermentators, distillers, refiners etc of liquor, and dealers of acids, alkalies, inorganic and organic compounds, gases, chemicals etc.

The Company has two distilleries at the following locations:

- a. **Behror, District Alwar, Rajasthan:** The facility is built on an area admeasuring 17.97 acres of land. The unit has its own captive supply of water and power.
- b. **Samalkha, District Panipat, Haryana:** The facility is built on an area admeasuring 16.575 acres of land. The unit has its own captive supply of water and power.

At present both the Units are capable of manufacturing Alcohol from both Molasses and Grain. Both the Units have licensed and installed capacity of 144 lakh Bulk Litres (BL) per annum each aggregating to 288 lakh BL.

The plants are currently engaged in the manufacturing of Industrial Alcohol (comprising Rectified Spirit, and Extra Neutral Alcohol (ENA); Country Liquor (CL); and Indian Made Foreign Liquor (IMFL).

Both the distilleries have modern bottling facilities equipped with bottling machines, which caters to its own production of Country Liquor and IMFL brands. Also, the Company has tie-ups for bottling IMFL products for other brand owners.

The Company is now gearing up for modernization and expansion of its production facilities, along with setting up latest facilities in utility management to enable it to lower the cost of production while continuing with its production of high quality spirit.

Notwithstanding its above plans, the Company also intends to further penetrate the IMFL market by marketing its own brands in more States/Union Territories and/or acquiring existing brands.

The Company has also engaged Ernst & Young as Advisors regarding matters related to Kyoto Protocol under United Nations Framework Convention on Climate Change (UNFCCC). The Company is in the process of implementing greenhouse gas abatement project by utilizing biomass and biogas for steam and power generation that would reduce emission of Green House gases from fossil fuel combustions for equivalent energy generation.

Ernst & Young will assist the Company in getting the potential benefits of the Green House Gases abatement project under the Clean Development Mechanism (CDM) of the Kyoto Protocol.

The brief details of the project of the Company are as mentioned herein below:

1. Installation of a Multi-Pressure Distillation Plant to produce quality Extra Neutral Alcohol (ENA) of 35,000 Litres per day from both Molasses and Grain at Behror Unit.

As the Company is increasing its Industrial Alcohol production capacity (license) from 144 lakh BL per annum to 249 lakh BL per annum at its Behror facility, the above plant will facilitate in utilizing the licensed capacity to 100% levels.

Salient features of the same as under:

The Distillation plant capacity shall be 35,000 LPD Extra Neutral Alcohol and is based on Fermented wash from Grain-based Fermentation and an alcohol concentration of minimum 8% v/v in Wash.

Multi-Pressure Distillation scheme offered with minimum steam consumption of just 3.25 kg/litre Total Spirit. Reboilers have been provided alongside the main columns to avoid direct steam sparging, in order to reduce the effluent volumes and better quality output. This also helps in Steam condensate recovery.

Higher level of instrumentation has been offered based on PLC-SCADA system. The Extra Neutral Alcohol coming out of the plant is of superior quality and is acceptable to all the major IMFL manufacturers.

Multi Pressure Distillation:

This process utilizes Distillation Columns namely Analyzer, Degasifying, Pre-Rectifier, Rectifier-Exhaust, Extractive Distillation (ED), Recovery and Simmering Column.

The Analyzer and Degasifying columns are operated under vacuum whereas Simmering Column, Extractive Distillation Column and, Recovery Column are operated under atmospheric conditions. The Rectifier-Exhaust Column and Pre-Rectifier Column shall be operated under pressure.

The energy requirement for Analyzer Column is met by Rectifier Column top vapours. The Rectifier Column top vapours are condensed in a thermo-siphon re-boiler connected to a flash tank and then flash vapours are injected into Analyzer Column.

The Fermented Wash is fed to the Degasifying column after preheating. Rectified Spirit is drawn from Pre-rectifier column and fed to Extractive Distillation Column with suitable dilution with De-Mineralised Water. Extractive Distillation bottom is fed to the Rectifier Column. ENA is drawn from the top of the Rectifier column. ENA is then fed to the Simmering Column, where low boiling impurities including Methanol are cut by operating the column under high reflux. Final ENA product is taken from the bottom of the Simmering Column.

Apart from the above, in order to increase the efficiency and production of alcohol at low cost, the Company is adding a 15 KLPD Total Spirit-based Starch Liquefaction section plant to process Grain Flour from all available grain like Rice, Wheat, Maize, Jowar, etc at the same premises in Behror.

Slurry Preparation / Liquefaction:

Processing Flour from all available grain like Rice, Wheat, Maize, Jowar and Bajra: Grain flour and process water (preferred hot streams) are fed at controlled rate to Slurry Tank. Mixed slurry is taken to the Initial Liquefaction Tank where additional quantity of slops could be added as per requirement. Viscosity controlling Enzymes and stabilizing chemicals as per requirement and a portion of liquefying enzymes are also added at this stage. This slurry is then "cooked" in the Jet cooker.

The Slurry is continuously pumped through a Steam Jet cooker where high-pressure steam at 7 kg/cm² (g) rapidly raises the slurry temperature. The mixture of slurry and steam is then passed through the Retention Loop. This retention loop has several "U" bends in series with sufficient capacity to provide the desired retention time at the given flow rate. The cooked mash is discharged into a Flash Tank.

The cooking process, accomplished in the above manner, converts the slurry into a hydrated, sterilized suspension and is therefore susceptible to enzyme attack for liquefaction.

The gelatinized mash from the Flash Tank is liquefied in the Final Liquefaction Tank where liquefying enzymes (alpha-amylase) is added. The liquefied mash is cooled in the Mash Cooler and transferred to Saccharification cum Fermentation section.

The flash steam is condensed and recovered for recycling in process.

2. Installation of a Multi-Pressure Distillation Plant, including Slurry mixing and Liquefaction, saccharification cum-Fermentation along with auxiliaries etc., to produce quality Extra Neutral Alcohol (ENA) of 35,000 Litres per day from Grain at Samalkha Unit.

The salient features of the same as under:

The Company has considered the use of Grain Flour from commonly available grain like Rice, Maize, Jowar, etc. with an average Starch content of 62% w/w. The variation in starch content from one grain to another could be 58-66% w/w.

Grain Storage facility of 30 days is considered, which could be taken up in Storage Silos or even in closed godowns. Estimated investments in both options have been provided. Grain requirement for such production facility could be 90–100 MT/Day depending upon the Starch content in Grain.

Grain are mechanically cleaned and continuously milled in the Milling Section. This comprises of cleaning equipments like vibratory screens, De-stoner, magnetic separator etc. Hammer mills are used for the milling operation.

Selection of Grain Mill is a critical decision in the Milling section and depends on factors like:

- a. Shift Operation: 2/3-shift operations (varying from 16 to 24 hours of operation).
- b. Overall Power Consumption with 1 Mill or 2 Mill options and power supply.
- c. Manpower cost and Labour management.
- d. Raw Materials to be milled: Type of grain to be milled and particle size.

Liquefaction section comprises Slurry mixing, continuous Jet Cooking followed by Liquefaction of starch slurry using state-of-the-art equipment. This section is with adequate automation and controls section along with Auxiliaries & Electrical (MCC). All Tanks, Retention Loop, Heat exchangers, Pumps (Wettable parts) etc. have been offered in Stainless Steel AISI 304. Cleaning-in-place systems have been provided as per best engineering practices.

Simultaneous Saccharification and Fermentation is carried out in specially designed closed fermentors operating on Fed-Batch mode. The improved HIFERM-NM system comprises Pre-fermentors, Fermentors with Agitators and accessories, Carbon Di-Oxide scrubbing system, effective Fermented Wash cooling system. The Company has additionally quoted for Decantation section (excluding Centrifuge Decanter machine(s) and its electrical panels), mainly comprising of Thin Slops holding Tank, Slops Transfer Pumps, Thin Slops recycle Piping & Valves, (Part) Thin Slops Cooler PHEs, etc. This Section is offered along with Auxiliaries & Electrical (MCC). The system comprises:

- a. Yeast Activation System.
- b. Fermented wash cooling system.
- c. Chemical Dosing System.
- d. Cooling Water Circulation System.
- e. CO₂ scrubbing system.
- f. Cleaning In Place System.

Multi-Pressure Distillation scheme with minimum steam consumption and a technical alcohol (Impure Spirit) cut of just 7% of Total Spirit produced. Reboilers have been provided alongside the main columns to avoid direct steam sparging and contact. This also helps reduce the effluent volumes.

Higher level of instrumentation has been offered based on PLC-SCADA system. The Extra Neutral Alcohol coming out of the plant is of superior quality and is acceptable to all the major IMFL manufacturers.

Decantation section (excludes Decanter Centrifuge) includes Thin Slops Holding Tank, part recycle piping, valves, & transfer pumps, along with Thin Slop Evaporation plant for concentration of Solids to Syrup. This section has been offered along with its Auxiliaries such as Cooling Tower, Recirculation Pumps, Piping etc. and Electrical.

3. Capacity expansion of Total Spirit based Starch Liquefaction section from 60 KLPD to 75 KLPD with modernization.
4. Installation of a High-Pressure Boiler and Back-Pressure Turbine, which would use Biogas and Biomass as fuel to meet the additional requirement of steam and power, and to replace existing high cost power and steam. The boiler will primarily use biogas (which will be generated at no extra cost while treating the wastewater process at bio-methanation plant), and the balance fuel will be Biomass.

The Company has also engaged Ernst & Young as Advisors regarding matters related to Kyoto Protocol under United Nations Framework Convention on climate Change (UNFCCC). The Company is in the process of implementing the following Greenhouse Gas abatement project by utilizing biomass and biogas for steam and power generation that would reduce emission of Green House Gases from fossil fuel combustions for equivalent energy generation.

5. The Company has laid out plans to enter the IMFL market and has already launched its own brands in four states/Union Territories of North India and three states/Union Territories in South India.

Further, the Company is also negotiating for acquiring some prominent CSD registered brands. To avail the above advantage, the Company is expanding its bottling plant by putting up new automatic bottling lines, so that it can bottle additional brands either owned by the Company or tied-up.

6. Further to the above, the storage capacity of both finished goods and raw materials are also being revamped.

LOCATION OF THE PROJECT

The existing production facilities are situated at Behror in the district of Alwar, Rajasthan and Samalkha in the district of Panipat, Haryana. The location details of the said units are as under:

Production Facilities:

- Unit I : Village Shyampur,
Tehsil Behror
District Alwar – 301 701
Rajasthan
- Unit II: 4 KM, Chulkana Road
Samalkha – 132 101
District Panipat
Haryana

The Company's proposed project will also be located at the above premises.

The plant sites have the following location advantages:

- i. The raw materials required for the plant are available easily; as the Units are situated in places which are well connected infrastructure-wise.
- ii. Water is available in abundance, which is primarily sourced through tube well.
- iii. Cheap and skilled manpower is available in plenty.

- iv. The plants are located adjacent to the main highway (National Highway 8) running across the District of Alwar in Behror and Chulkhana Road running across the district Panipat in Haryana. Therefore, the Company has easy access and approach to move its produce, since road is the primary mode of transportation of Company's products.

DETAILS OF PLANT, MACHINERY, TECHNOLOGY, PROCESS, ETC.

Plant and Machineries

The Company has received quotations from well-known suppliers which mainly include M/s Praj Industries Ltd. (Pune), M/s Cheema Boilers Ltd. (New Delhi), M/s Kessels Engineering Works Pvt. Ltd. (New Delhi), M/s Structures & Foundations Pvt. Ltd. (New Delhi) etc. The quotations are considered competitive with regard to cost, quality of equipments and service during maintenance period.

I. ORDERS YET TO BE PLACED:

Sl. No	Particulars of Machines	Name of Supplier from whom Quotations have been obtained	Cost (Rs. in lakhs)	Date of Quotation/ Delivery Terms
1.	<u>Powerpac Traveling Grate Furnace Boilers</u> 20 TPH, 45 kg/cm ² (g), Traveling Grate Furnace 'POWERPAC' Boiler and its Auxiliaries Quantity : 2 Nos.	Cheema Boilers Ltd 212- A, Jyoti Shikhar Tower District Centre Janakpuri New Delhi-110058	918.00 <i>(Inclusive of Excise Duty, Central Sales Tax, Erection and contingency costs)</i>	Quotation no. CBL/72D/2006-07 dated 22.12.2006 Further revalidated by another 90 days w.e.f July 01, 2009. Delivery: Delivery and commissioning within 9-10 months from the date of confirm order with advance.
2.	<u>2000 KW / 415 V Bleed-cum-Back Pressure Steam Turbine</u> 2000 KW Bleed-cum-Back Pressure Steam Turbine with accessories Quantity : 2 Nos.	Kessels Engineering Works Pvt. Ltd. 1008, Pragati Tower Rajendra Place New Delhi-110008	320.00	Quotation no. KESSELS/STG/Q-GAL/2007/159 dated 3.1.2007. Further revalidated by upto October 07, 2009 vide their letter dated July 08, 2009. Delivery: 9-10 months from the date of technically and commercially clear order and earlier upon mutual agreement.
	Turbine House Accessories, Erection of Turbine	M/s Structures and Foundations Private Limited Ground Floor N-3, Kalkaji New Delhi-110019.	80.00	Quotation No. S&F:07:HOL:07 dated June 12, 2007 Further revalidated upto October 31, 2009 vide their letter of dated July 10, 2009.
	Taxes and Duties		50.00	
	TOTAL		1368.00	

II. ORDERS ALREADY PLACED:

Sl. No	Particulars of Machines	Name of Supplier from whom Quotations have been obtained	Cost (Rs. in lakhs)	Advance Paid (Rs. in lakhs)	Date of Quotation/ Expected date of delivery
1.	35,000 LPD Wash to ENA Multi-Pressure Distillation Plant with complete Piping, Insulation, Valves, Electrical and Instrumentation. Auxiliaries (Cooling Tower, CW Recirculation Pumps, Piping, Valves & Electrical)	PRAJ Industries Ltd PRAJ House Bavdhan Pune – 411 021 Through its Delhi office at: PRAJ Industries Ltd 201, Sukhdev Vihar New Delhi-110025 Erection of the machinery will be done by Pacecon Engineering Projects Ltd.	676.00	20.00	Order dated December 16, 2007. Praj Industries Limited has vide their letter dated July 09, 2009 informed the Company that they have completed all pre engineering works and the machineries are under fabrication and will be ready for dispatch within 4 to 5 months from 09.07.2009.
2.	<u>Multi-Pressure Grain Based Distillation Section at Samalkha Unit</u> Plant and Machinery	Praj Industries Ltd., Praj house, Bavdhan, Pune- 411021	2665.00 (Including taxes, duties & other expenses) Comprising of:		
i	for 35 KLPD Slurry Mixing and Liquefaction, Saccharification cum Fermentation, Wash To ENA Multipressure Distillation along with Auxiliaries, Electrical, Instrumentation and Installation/Erection.	Directly from PRAJ	1260.00	20.00	Order dated December 16, 2007.
ii	Plant and Machinery For 240 KLPD Grain Thin Slops Evaporation & Part Decantation (Excludes Centrifuge Decanter) and Recycle in The Distillery along with Auxiliaries, Electrical, Instrumentation & Installation/Erection services	Directly from PRAJ	490.00		Praj Industries Limited has vide their letter dated July 09, 2009 informed the Company that they have completed all pre engineering works and the machineries are under fabrication and will be ready for dispatch within 4 to 5 months from 09.07.2009.
iii	Grain Cleaning, Milling, Flour Weightment &	Fabrication at Company site through	70.00	10.69	Supply of steel plates received from Saran

	Conveying	local suppliers and contractors under supervision of PRAJ.			Iron & Steel Company, Ghaziabad vide Invoice No. 35 dated 8.8.2007 and No. 47 dated 14.9.2007
				43.60	Fabrication & Erection costs of Tanks along with foundation work by Manu Associate, Thana Chowk, Gajraula, U.P. vide Invoice Nos. 02 dated 24.9.2007 and 03 dated 16.9.2007
iv	Spirit Receiver And Storage Section For 30 Days	Fabrication at Company site through local suppliers and contractors under supervision of PRAJ.	90.00	52.17	Supply of M.S. Plates and Structural Steel by Well-Tech Engineering, Moh. Kavi Nagar, Dr. Paisal Wali Gali, Bijnore Road, Gajraula, U.P. vide Invoice No. 56 dated 3.9.2007
v	Plant Electrification Comprising Of HT/LT Substation, 4 P Transformer, Power Control Centre, DG Sets, Cabling, Plant & Yard Lighting, Earthing etc.	Fabrication at Company site through local suppliers and contractors under supervision of PRAJ.	80.00	4.08	Supply of Panel Capacitors by Chitvan Enterprises, B-8, Jaipur Tower, M.I. Road, Jaipur vide Invoice No. 1666 dated 1.9.2007 and 1373 dated 22.9.2007.
vi	Buildings, Civil & Structural Work for complete distillery including Main plant, Effluent Treatment etc, administrative building, roads, land development etc.	Fabrication at Company site through local suppliers and contractors under supervision of PRAJ.	425..00	245.00	Supply of Bio-Gas Digester by Well-Tech Engineering, Moh. Kavi Nagar, Dr. Paisal Wali Gali, Bijnore Road, Gajraula, U.P. vide Invoice No. 302 dated 7.9.2007.
				53.89	Fabrication & Erection of Bio-gas Digester by Manu Associate, Thana Chowk, Gajraula, U.P. vide Invoice No. 105 dated 17.9.2007.
				22.10	Supply of Decanter by Alfa-Laval India Limited, Tower II, Rajendra Place, New Delhi vide Invoice cum delivery note No. 6283114 dated 29.12.2007.
				2.91	Fabrication of Fermenter by Venus

	Taxes, Duties & other expenses			250.00	Engineering, Plot No. 65, Bhagwati Industrial Area, Alipore, Delhi vide Work Order No. HO/WO/0006 dated 3.11.2007
3.	<u>75 KLPD Total Spirit Based Starch Liquefaction Section</u> Slurry Preparation and Liquefaction Section including Auxiliaries, Electrical and Instrumentation (with HP Steam Jet Cooking)	Praj Industries Ltd., Praj house, Bavdhan, Pune- 411021 Errection of the machinery will be done by Pacecon Engineering Projects Ltd.	333.00 <i>(Inclusive of Excise Duty, Central Sales Tax, Erection and Taxes)</i>	11.00	Order dated December 16, 2007. Praj Industries Limited has vide their letter dated July 09, 2009 informed the Company that they have completed all pre engineering works and the machineries are under fabrication and will be ready for dispatch within 4 to 5 months from 09.07.2009.
	TOTAL		3674.00	485.44	

STATUS SUMMARY OF MACHINERY PURCHASES

SL.NO.	PARTICULARS	VALUE	%AGE
A.	Total Cost of Plant & Machinery:	5042.00	100
B.	Value of Orders placed	3674.00	72.87
D.	Value of Orders yet to be placed	1368.00	27.13

PROCESS AND TECHNOLOGY

The technology for manufacturing Rectified Spirit, Extra Neutral Alcohol, Country Liquor and Indian Made Foreign Liquor is well established. The Company and its promoter have the requisite knowledge and technology to produce the same, having been in this business.

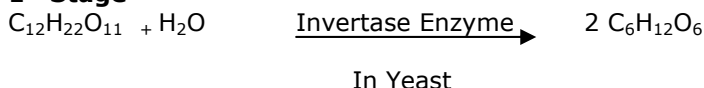
MANUFACTURING PROCESS

Basic Raw material for manufacture of Rectified Spirit is Molasses and/or Grain. Molasses is a by-product of the Sugar industry. Molasses is available in abundance in the state of Haryana and in the neighbouring state of Uttar Pradesh.

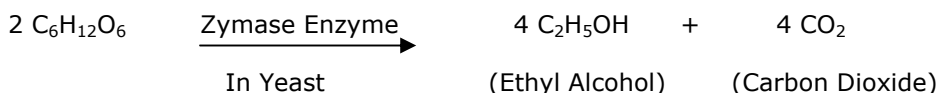
Molasses of 40–50% total reducing sugar and 10-12% un-fermentable sugar is purchased from various sugar mills and brought to the Company's facility in road tankers. Molasses is stored in huge tanks. It is then taken to Fermentation House for fermentation in various fermentators. Fermentable sugar in molasses is converted into Ethyl Alcohol and Carbon dioxide with the help of microorganism called yeast in two distinct phases.

Fermentation

1st Stage



2nd Stage



Distillation

During fermentation 8 to 9% alcohol is formed in distillation wash, which is taken for distillation in the distillation column to recover the alcohol.

Fermented wash is fed to Analyzer column from the top and steam is supplied from the bottom. Alcohol vapour rises up in the analyzer and is fed in to the Rectifier column. In the Rectifier Column, fractional distillation takes place and alcohol vapour passes through beer heater, first condenser and then to vent condenser. Condensate from all the above three columns is again fed to rectifier top and drawn as Ethyl Alcohol or Rectified of 94.5% v/v (Volume by Volume).

Rectified Spirit is then stored in receiver room in various tanks and then transferred to storage tanks/vats called warehouse in state excise parlance.

Rectified Spirit can then be sold to various other distilleries/bottling plants as raw material to manufacture bottled liquor.

Rectified Spirit is also used for manufacture of Country Liquor in the Company's own distillery after reducing its strength from 94.5% and by adding DM Water, Essence, and Caramel in the blending room. It is then taken to bottling vats in the bottling hall for manufacture of Country Liquor.

E.N.A. (Extra Neutral Alcohol)

Rectified Spirit contains impurities like aldehydes, esters, higher alcohols that are not good for making quality potable alcohol for high grade liquor products like Whisky, Gin, Rum etc.

Rectified Spirit is therefore re-distilled with DM (De-mineralized water) and passed through purification column, then rectifier column, condensers etc. All these equipments constitute Extra Neutral Alcohol plant.

Higher alcohols and all other impurities get separated at various temperatures and pure ENA is collected separately and taken to storage vats.

ENA can be sold to other distilleries and bottling plants for making quality alcoholic products like Whisky, Gin, Rum etc.

In the Company's distillery, ENA is used for bottling well known brands of Indian Made Foreign Liquor (IMFL) through its tie-up arrangement with reputed manufacturers.

Spent Wash

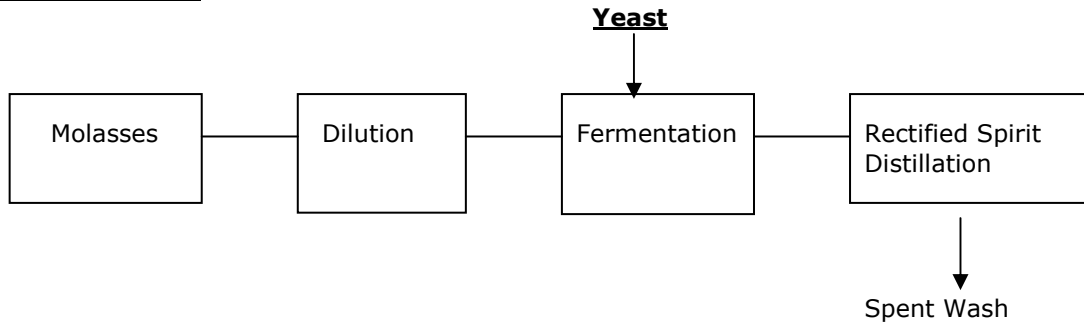
1st Stage (Primary Methanisation)

It is the dark brown carboned liquid containing nitrogenous compound, potassium, magnesium, sulphates etc. obtained as waste product after obtaining Rectified Spirit. Its BOD (Biological Oxygen Demand) is about 40,000 mg/ltr. & COD (Chemical Oxygen Demand) about 1,00,000 mg/ltr. It is the raw material for Effluent Treatment Plant where after methanisation process in huge reactors the Company gets Bio-gas which is used as fuel in its boilers.

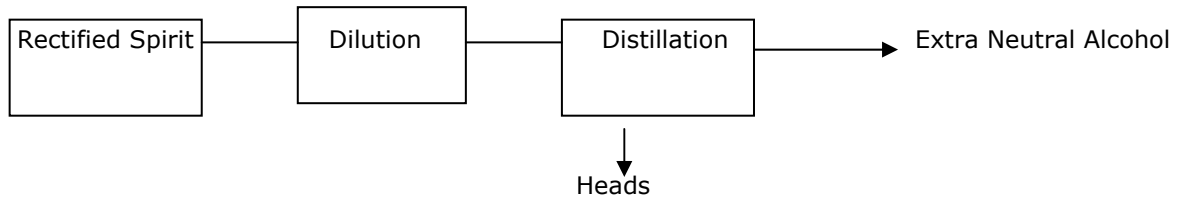
2nd Stage (Bio-composting)

The waste product or heated spent wash from primary treatment plant is taken for Bio-composting to an open area of land where this product is sprinkled on sugar mill press mud for production of manure.

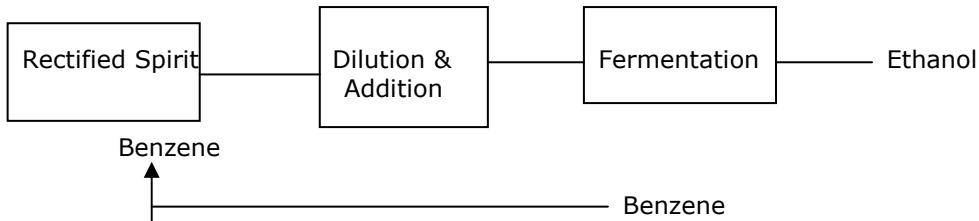
Rectified Spirit



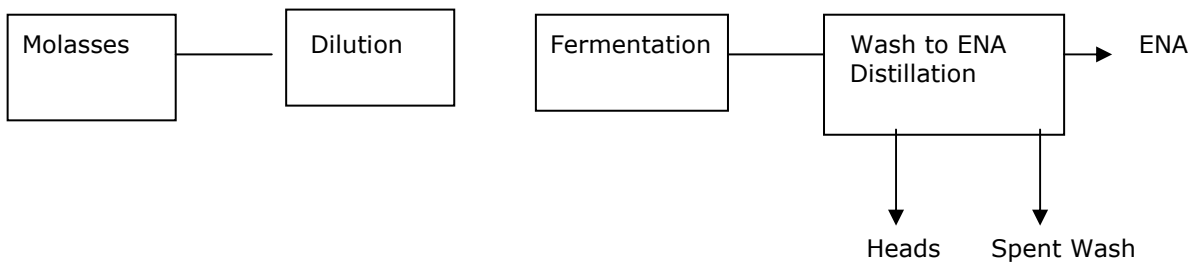
Extra Neutral Alcohol



ETHANOL



Proposed

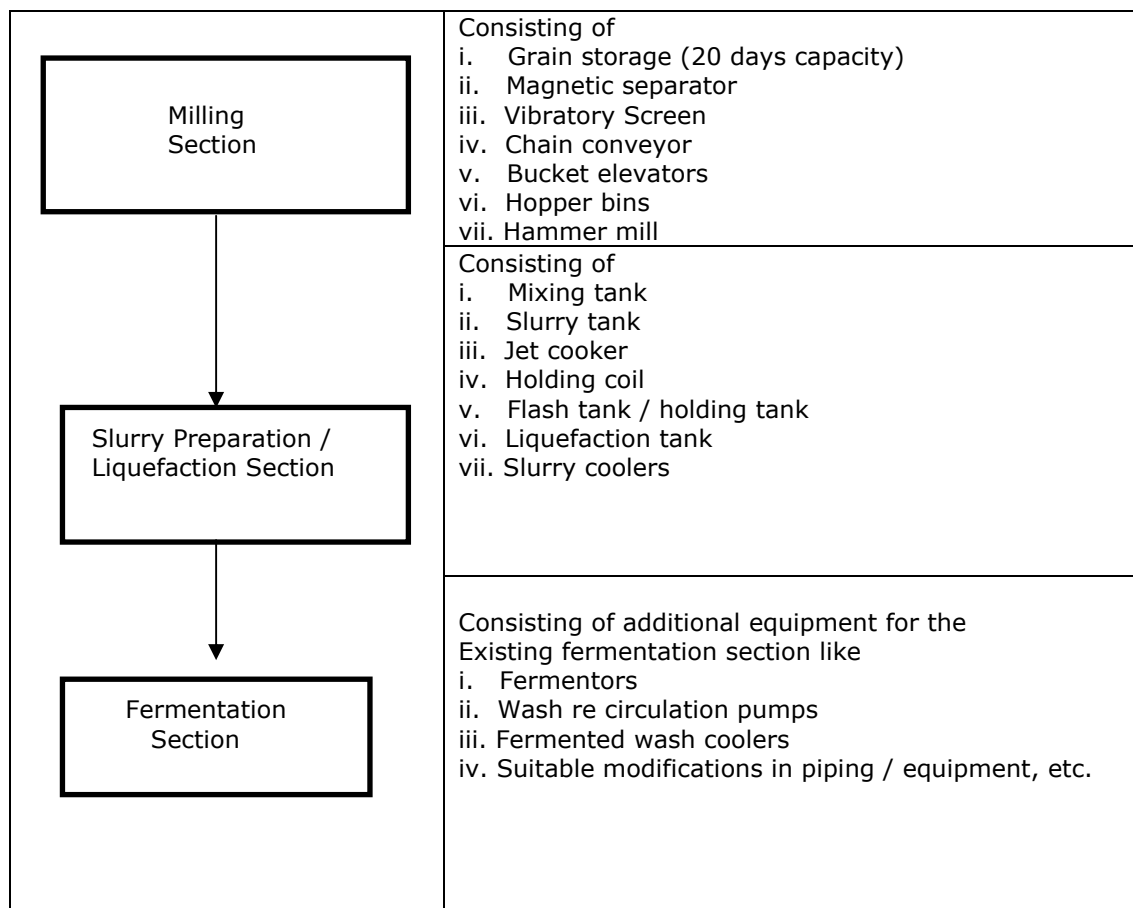


GRAIN PROCESS

LIQUEFACTION FERMENTATION AND DISTILLATION

PROCESS DESCRIPTION FOR GRAIN BASED LIQUEFACTION AND FERMENTATION:

FLOW DIAGRAM FOR GRAIN SPIRIT PRODUCTION:



A) MILLING AND FLOUR HANDLING:

The incoming grain is first cleaned with the help of destoner and magnetic separators to remove stones and other material, which may damage the hammers during milling. The grain is fed to hammer mill in controlled manner. In milling, grain is crushed to flour of uniform size. Oversized screening rejects are segregated with the help of vibratory screen. These are taken to coarse bin before sending it to mill again. Intermediate hopper is provided for buffer capacity for flour storage. The flour addition is metered through a weigh feeder with load cell arrangement before transferring to the mixing tank for slurry preparation process.

B) SLURRY PREPARATION / LIQUEFACTION:

Grain flour is fed at controlled rate to mixing tank and then to agitated slurry tank where some amount of water and enzyme stabilizing chemicals is added. A portion of the liquefying enzyme is also added here. This slurry is then "cooked" in the jet cooker. The slurry is continuously pumped to a steam jet cooker where high-pressure steam at 7 bar (g) / 170 °C rapidly raises the slurry temperature. The mixture of slurry and steam is then passed through the holding coil which has several "U" bends in series and sufficient capacity to provide the desired retention time at a given flow rate. The cooked mash is discharged to a flash tank. The cooking process, accomplished in the above manner,

converts the slurry into a hydrated, sterilized suspension (as starch molecule is solubilized) and is therefore susceptible to enzyme attack for liquefaction.

The gelatinized mash from the flash tank is liquefied in a liquefaction tank where liquefying enzyme (alpha-amylase) is added. Then the liquefied mash is cooled in slurry cooler to about 60 °C and transferred to partial pre-Saccharification tank where the Saccharifying enzyme (Glucosidase) is added. This process initiates the formation of sugar. The mash is then cooled and transferred to fermentors.

C) SACCHARIFICATION AND FERMENTATION:

Yeast Propagation:

Yeast seed material is prepared in water-cooled vessels by inoculating sterilized mash with culture yeast. Optimum temperature is maintained by cooling water. The contents of the yeast vessel are then transferred to Prefermentor.

The prefermentors are filled with mash and loaded with contents of the yeast vessel. The purpose of the aerated pre-fermentation is to allow time for the yeast cells to multiply and reduce the chances of contamination in fermentors. When the prefermentor contents are transferred to the main fermentors, the concentration of yeast cells is high enough to substantially reduce the lag time associated with yeast growth in fermentation.

GRAIN BASED FERMENTATION:

The purpose of fermentation is to convert the fermentable substrate into alcohol. To prepare the mash for fermentation, it may have to be diluted with water. The pH of the mash is adjusted by recycled slops (which also provides for nutrients) and by the addition of acid.

At the start of the cycle, the fermentor is charged with mash and contents of the pre-fermentor. Significant heat release takes place during fermentation. This is removed by forced circulation cooling in external heat exchangers to maintain an optimum temperature of 30°C. The re-circulating pumps also serve to empty the fermentors into beer well. After the fermentors are emptied, they are cleaned with water and caustic solutions and sterilized for the next batch.

The carbon dioxide evolved during the process is scrubbed to prevent ethanol emissions by process water, which is taken to beer well.

FOR GRAIN BASED THIN SLOP CONCENTRATION:

First effect is forced circulation type, where as second, third and fourth effects are Falling Film type.

The Thin Slop at 60 – 65 °C from Distillation section is first taken in to feed tank and then after preheating fed to evaporation system in 4th effect backward feed mode and it flows from Fourth to third to second to first.

The concentrated Syrup with 28–30% w/w total solids is taken out from the First effect. The low-pressure steam shall be supplied to the First effect shell side. Vapours generated in the First effect are used as a heating medium in the second effect and vapours generated in the second effect are used as a heating medium in the Third effect vapours generated in the third effect are used as heating medium in the fourth effect.

The feed shall be concentrated from the initial concentration of 7–7.2% w/w Total Spirit to 28–30% w/w Total Spirit as it travels forward through all effects.

The vapours evolved from the final effect are condensed in surface condensers. Each effect is provided with recirculation pump. The first effect steam condensate can be recycled back to

boiler as it is a fresh steam condensate. The condensate from Second, Third, Fourth effect and surface condensers condensate is collected in a condensate tank. The condensate is transferred to the further treatment/drain by using centrifugal pump.

The system operates under pressure and vacuum. Water-ring vacuum pumps are used to maintain a desired vacuum in the last effect. The last effect is at lowest temperature. Cooling water from cooling tower is used in the surface condensers for condensing the vapours from the last effect. The steam condensate from first effect shell is collected in condensate tank and is pumped back to the Boiler

Brief note on Distillery ETP

The spent wash generated from Distillation is highly polluted in nature, as it is acidic in content. It adversely affects the flora and fauna. In view of the above, for effective control of pollution, Effluent Treatment Plant is required:

The treatment plant for effluent treatment comprises as under:

- (a) **Primary treatment plant:** - The spent wash is treated in closed tank with the help of Methane forming bacteria. The organic matter is degraded by Methane forming bacteria in to Biogas, which is highly inflammable as it contains 60-65% CH₄ content, used as fuel in the Boiler.
- (b) **Secondary treatment plant:** - To bring the above effluent to desired norms of Pollution Control Board, further treatment plant is required i.e., Secondary treatment plant based on Activated Sludge process and followed by extended aeration.

The effluent from primary treatment plant is fed in to this plant. This plant comprises following different units:

1. Aeration Tanks.
2. Clarifier.
3. Extended Aeration tank
4. Clarifier
5. Sludge drying beds

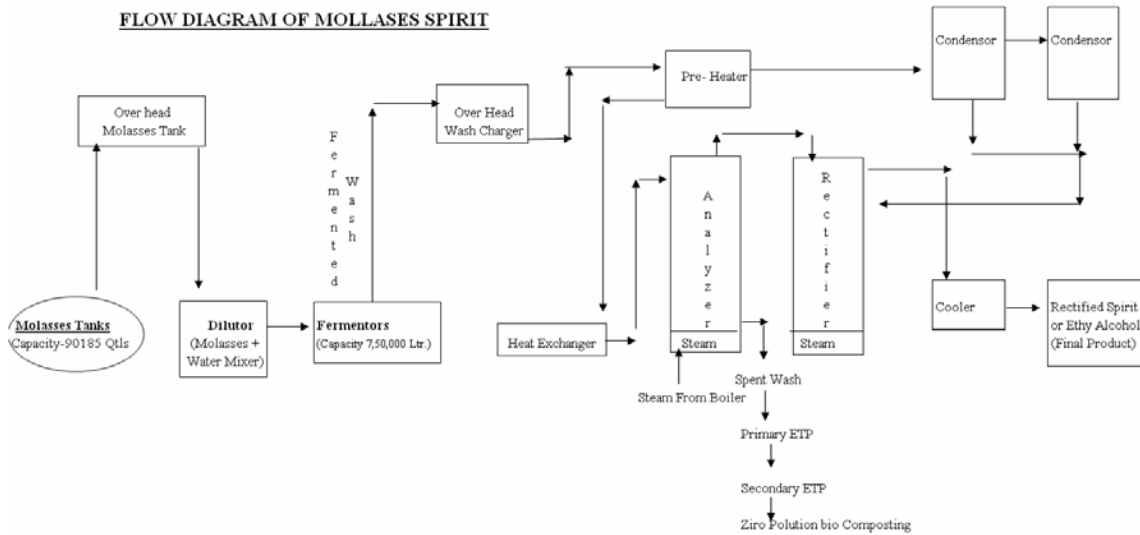
The secondary treatment is based on Aeration; The Aerators are provided to the tank and agitate the liquid with the result that the Aerobic bacteria degrade the organic matter.

- (c) **Bio composting:** As per requirement of the Ministry of Environment & Forests, to avail zero pollution, the only process available at present is Bio Composting.

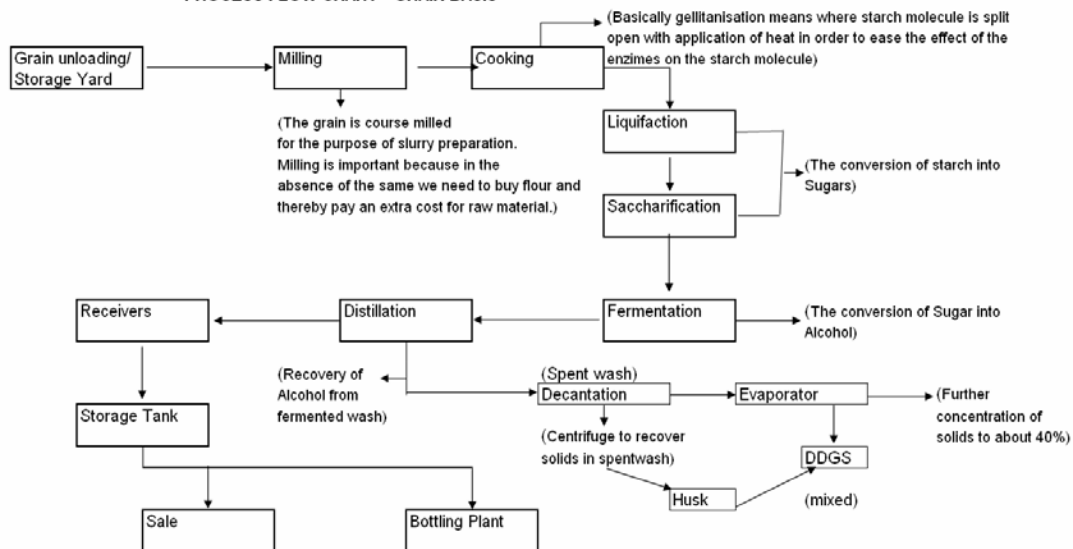
The effluent after Primary treatment plant is taken in Bio composting. The conversion of effluent into solid waste is done with the help of solid residue of Sugar mill waste known as press mud. The press mud is having all available nutrients for plant growth, the Bio methanated waste water also contains organic matter which is left and degraded is sprayed over Press mud.

The Biocompost process completes in 45 / 60 Days time.

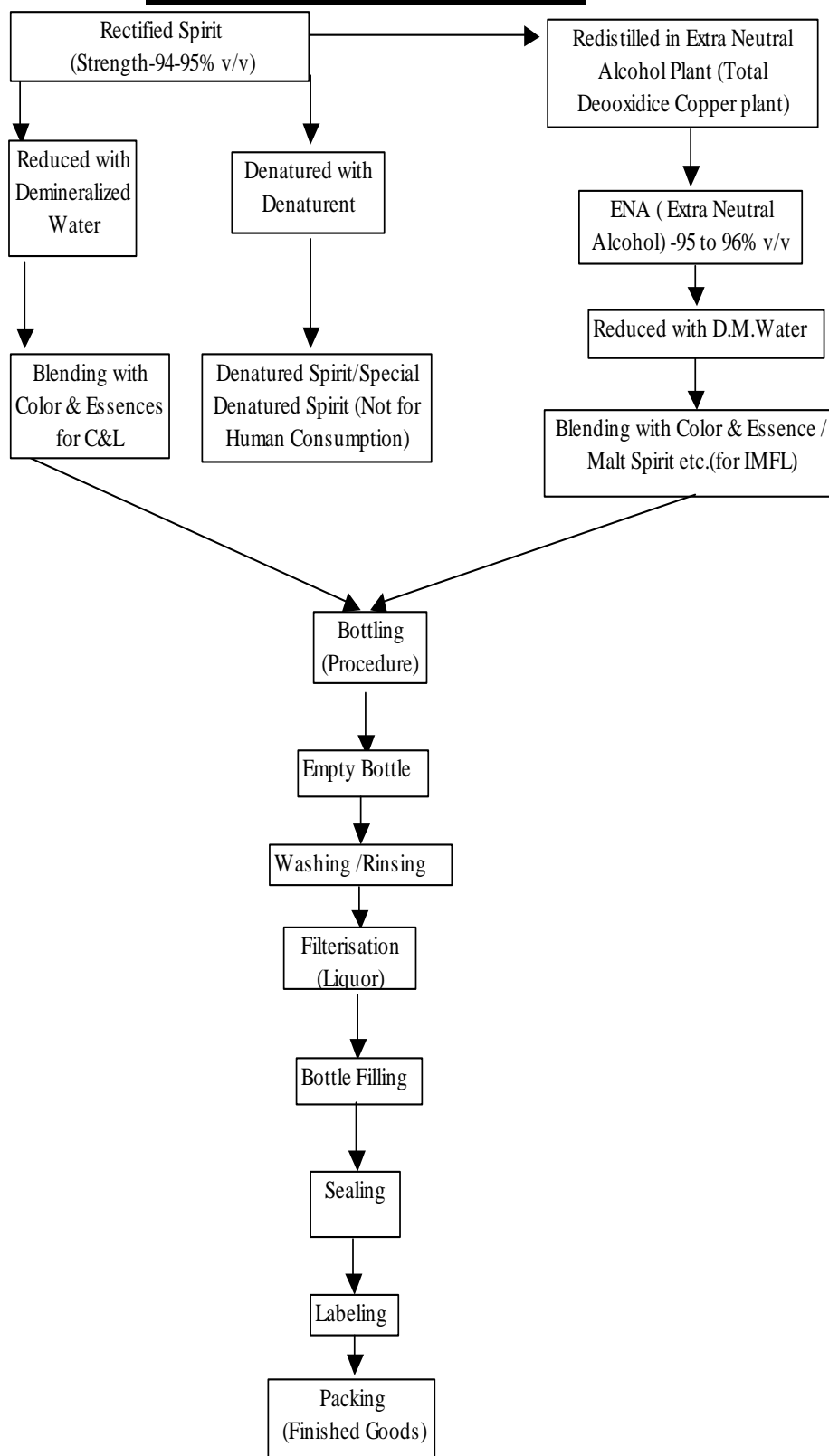
FLOW DIAGRAM OF MOLLASES SPIRIT



PROCESS FLOW CHART - GRAIN BASIS



FLOW CHART OF FINISHING GOODS



Remark-

semi-automatic complete bottling conveyors.

INFRASTRUCTURE FACILITIES

I. RAW MATERIALS

India is the largest producer of sugarcane in the world and sugar industry is the second largest agro-based industry of our country, textiles industry being the largest. Production of molasses has increased from 0.4 million tonnes in 1950-51 to 8.29 million tonnes in 1995-96. The Government has already decontrolled the prices and movement of molasses. (Source: Appraisal Report of SBI dated September 5, 2008)

A. MOLASSES

Molasses, which is the by-product of sugar industry, is one of the major raw materials for manufacture of alcohol. The Company is situated in the neighbourhood of fertile sugar belt where availability of molasses is plenty.

The requirement of raw materials for the Company was/is as follows:

	Molasses usage & requirement	Grain usage & requirement
Year 2004-05	2.00 lakh quintals	2.12 lakh quintals
Year 2005-06	1.86 lakh quintals	3.05 lakh quintals
Year 2006-07	3.35 lakh quintals	3.48 lakh quintals
Year 2007-08	3.19 lakh quintals	3.36 lakh quintals
Year 2008-09	1.70 lakh quintals	4.60 lakh quintals

The Molasses are procured directly from the neighbouring Sugar mills, and also through dealers at competitive prices.

The Molasses' market is expected to remain, more or less, stagnant during the year, with full availability of the same. No shortage in supply is envisaged. The Company expects the prices to be at its lowest during the months when the stocks of molasses is usually high (when the Sugar mills are high in capacity of molasses and are in the process of disposing off the same on account of lack of storage capacity).

The major suppliers of Molasses during the year ended March 31, 2009 are as under:

Sl. No.	NAME	Purchase (Rs. lakhs)	% of Total Purchase of Molasses
1	Sonepat Cooperative Sugar Mills Ltd., Sonapat, Haryana	184.47	29.35
2	Choudhury Devilal Cooperative Sugar Mills Ltd., Gohana	150.17	23.90
3	Meham Co op Sugar Mills Ltd., Mehram	139.67	22.23
4	The Haryana Cooperative Sugar Mills Ltd., Rohtak, Haryana	84.53	13.45
5	The Shahbad Cooperative Sugar Mills Ltd., Shahbad Haryana	59.97	9.54
6	Om Shiv Sheera Supply, M Nagar	7.73	1.23
7	Goyal Trading, M. Nagar	1.89	0.30

B. GRAIN

The Company's facilities produce Alcohol from both molasses and grain. Grain primarily comprises broken rice, ground wheat flour (atta), jowar, bajra etc. As regards Grain, the Company procures its Grain requirement from Delhi's wholesale Grain market.

Grain is procured through dealers/stockists in Delhi. The Company expects no shortage and full availability of grain throughout the coming years. The price-trend of the grain is also expected to remain stagnant throughout the year, and no volatility is expected.

The availability of grain particularly rice and wheat are given below :

Commodity: WHEAT

Country: India

PSD Table

	2004	2005 E	2006 F
Area Harvested (000' HA)	26,620	26,300	26,600
Beginning Stocks (000' MT)	6,900	7,200	1,700
Production (000' MT)	72,060	72,000	73,000
Total Market Year Imports (000' MT)	20	300	1,700
June-July Imports (000' MT)	20	500	1,500
June-July Imports US (000' MT)	-	-	-
Total Supply (000' MT)	78,980	76,400	76,400
Total Market Year Exports (000' MT)	2,000	800	500
July-June Exports (000' MT)	1,500	800	500
Feed Domestic Consumption (000' MT)	500	300	300
Total Domestic Consumption (000' MT)	72,880	73,900	74,500
Ending Stocks (000' MT)	4,100	1,700	1,400
Total Distribution (000' MT)	78,970	76,400	76,400

Commodity: RICE MILLED

Country: India

PSD Table

	2004	2005 E	2006 F
Area Harvested (000' HA)	42,300	43,400	44,500
Beginning Stock (000' MT)	10,800	8,500	8,000
Milled Production (000' MT)	85,310	87,000	90,000
Rough Production (000' MT)	1,27,978	130,513	1,35,014
Total Imports	-	-	-
Total Supply	96,110	95,500	98,000
Total Exports	5,100	4,000	4,000
Jan. - Dec. Exports	5,000	4,000	4,000
Total Domestic Consumption	82,510	83,500	85,000
Ending Stocks	8,500	8,000	9,000
Total Distribution	96,110	95,500	98,000

(Source: Indian Grain and Feed Annual 2006, USDA Foreign Agricultural Service, Global Agricultural Information Network Report; www.fas.usda.gov/gainfiles/200602/146176885.pdf)

The major suppliers of Grain during the year ended March 31, 2009 are as under:

Sl. No.	NAME	Purchase (Rs. lakhs)	% of Total Purchase of grain
1	Vibhor Syntex Pvt. Ltd., Lawrence Road, Delhi	1360.01	32.14
2	Ashutosh Agro, Lawrence Road, Delhi	1145.33	27.06
3	Singhal Traders, New Delhi	451.61	10.67
4	Tirupati Rice, New Delhi	207.40	4.90
5	Ramesh Chand Keshav Kumar, Lawrence Road, Delhi	174.70	4.13
6	Sumit Enterprises, New Delhi	154.15	3.64
7	Keshav Trading Co., Naya Bazar Delhi	135.43	3.20
8	Deepak Kumar Sachin Kumar, New Delhi	131.37	3.10
9	Nischint Traders Pvt. Ltd., New Delhi	123.45	2.92
10	Balaji Agrotech, New Delhi	89.06	2.10

The Company is constantly endeavouring to procure raw materials at the lowest prices using its experience, relationships with the suppliers and economies of scale enjoyed. The Company follows a prudent product pricing policy.

II. WATER

a. Behror facility:

The Company's water consumption, currently, is as under for 40 KLPD existing Rectified Spirit:

Rectified Spirit Plant	-	800 KL Per Day
ENA	-	150 KL Per Day
Boiler	-	288 KL Per Day
DM Plant	-	40 KL Per Day
Bottle Washing	-	150 KL Per Day
Domestic	-	20 KL Per Day
Liquefaction & Fermentation	-	250 KL Per Day
TOTAL -		1698 KL Per Day

Additional Requirement on account of the Proposed Expansion (35 KLPD Wash to ENA)

Process Water for Liquefaction & Fermentation Section	-	500 m3/day
Make-up Water for Liquefaction	-	125 m3/day
Cooling Water for Fermentation Section	-	22 m3/day
Cooling Water for Multipressure distillation section	-	37 m3/day
Make-up water for Multi-pressure distillation cooling tower-		300 m3/day
Soft water for Flash tank, Alcohol scrubber, vacuum	-	180 m3/day
Pump, and decantor	-	
Boiler – Water	-	33 m3/day
Turbine Cooling water	-	100 m3/day
TOTAL -		1297 KL Per Day

REQUIREMENT SUMMARY:

- i. Present requirement: 1698 KL/day
- ii. Additional requirement: 1297 KL/day

TOTAL - 2995 KL Per Day

The Company has four tube wells of 25 m³/hour capacity each. The above tubewells can generate 100 m3/hour of water per day. The Company currently uses 4 tubewells.

Apart from the above, the Company has two Wooden Cooling Towers of 450 m3/hour capacity and two FRP Cooling Towers of 350 m3/hour capacity for water consumption in the Plant. For consumption in Boiler, the Company has a RO cum DM Water Plant of 15KL/hour capacity with storage capacity of 20,000 Litres, and for Potable Liquor the Company has DM Water Plant of 35KL capacity with storage capacity of 40,000 Litres.

Apart from the above, the Company is putting up two new tube wells of 50m3/hour capacity each, which will have additional capacity of 2400 KL/day.

b. Samalkha Facility:

The Company's water consumption, currently, is as under for 40 KLPD existing Rectified Spirit:

Rectified Spirit Plant	-	800 KL Per Day
ENA	-	150 KL Per Day
Boiler	-	288 KL Per Day
DM Plant	-	50 KL Per Day
Bottle Washing	-	150 KL Per Day

Domestic	-	10 KL Per Day
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TOTAL - 1448 KL Per Day

Additional Requirement on account of the proposed Expansion

Process Water for Liquefaction, Fermentation & Distillation Section	-	400 KL/day
Make-up water for Liquefaction & Fermentation	-	495 KL/day
Boiler – Water	-	33 KL/day
Turbine Cooling Water	-	100 KL/day

TOTAL - 1028 KL Per Day

TOTAL Requirement

Present 1448 KL /day

Additional 1028 KL/ day

2476 KL/day

The Company has three tube wells of 40 m³/hour capacity each. The above tube wells can generate 2880 KL of water per day. The Company currently uses 2 tubewells and the third is kept as stand-by arrangement.

The Company has a DM Water Plant of 3000 Litres/hour capacity with storage of 20,000 Litres for Potable Liquor.

Apart from the above, the Company has R.O. Plant of Thermax of capacity 15 KL/Hour which provides. 360 KL/day, the R.O. Water will be used for portable liquor blending and boiler feed water.

III. POWER

a. Behror Facility:

The details of power requirement, for the various segments, of the Company are as follows:

Plant Segment	Requirement
Plant Side – Rectified Spirit	- 200.0 KW
Extra-Neutral Alcohol Plant	- 19.3 KW
Tube Well	- 75.0 KW
Effluent Treatment Plant (Primary)	- 20.0 KW
On Effluent Treatment Plant Feed Pumps	- 15.0 KW
RO cum DM Plant for Boiler	- 20.0 KW
Boiler	- 150.0 KW
Bottling Plant	- 166.0 KW
Workshop Load	- 10.0 KW
Plant & Administrative Office Lighting	- 50.0 KW
Decanters & Pumps	- 80.0 KW
TOTAL	805.3 KW

Subsequent to the Proposed Project:
Plant Segment

Requirement

Grain Transfer, Milling	-	200 KW
Liquefaction, Saccharification, Fermentation, Multipressure Distillation, Auxiliaries (Cooling Tower & Recirculation)	-	715 KW
Biogas, Secondary Treatment, Recycling & Misc-	-	150 KW
Bottling & Blending	-	170 KW
Plant & Yard Lighting	-	30 KW
Administrative Block/Offices	-	20 KW
Spirit Storage & Transfer	-	20 KW
Water Treatment, Bore wells (DM water Etc)	-	70 KW

Boiler (20tph @ 45kg/cm ² /g)	-	325 KW
Decanter Centrifuge & pumps	-	80 KW
Miscellaneous	-	50 KW

1830 KW

Power Generation

The Company produces Steam from High Pressure Boilers, one Boiler of 8 MT/ Hour capacity at 15 Kg. per Cm², working pressure with 240⁰ C superheat steam temperature and one Boiler of 10 MT/Hour capacity at 15 kg per Cm² working pressure with 240⁰ C, which is passed through the Turbine (of 700 KW capacity). The Turbine rotates at 6000 rpm with the Electric Alternator, which produces electricity of 1000-1200 Amp. of 420 Volt & 50 Hz wherefrom the Company meets its power requirement for various sections of the factory. From the turbine outlet steam pressure of 1.25 Kg /Cm² Company runs its Alcohol Distillation Plant.

At present, the Company has one Turbine of 700 KW (Siemens make) capacity, which runs on a 24-hour basis.

The Company has 320 KV connections from the Rajasthan State Electricity Board.

D.G. Sets

For meeting the extra load, the Company runs DG Set of 380 KVA during the failure of RSEB supply.

PROPOSED REQUIREMENT

The Company proposed to install one more Turbine, of 2 MW capacity at 3.5 Kg Back pressure during the current expansion programme.

b. Samalkha Facility:

The details of power requirement, for the various segments, of the Company are as follows:

Plant Segment	Requirement
Plant Side – Rectified Spirit	197.0 KW
Extra-Neutral Alcohol Plant	19.3 KW
Tube Well	57.0 KW
Molasses Pumping	26.0 KW
Decanter	24.0KW
Effluent Treatment Plant (Primary)	18.0 KW
On Effluent Treatment Plant Feed Pumps	15.0 KW
DM Plant for Boiler	6.0 KW
Boiler	75.0 KW
Bottling Plant	162.0 KW
Workshop Load	6.0 KW
Plant & Administrative Office Lighting	25.0 KW
TOTAL	630.3 KW

Subsequent to the Proposed Project:

Plant Segment	Requirement
Grain Transfer, Milling	
Liquefaction, Saccarification, Fermentation, Auxiliaries	
Multi-Pressure Distillation Column of Capacity 35 KLPD (Wash to ENA)	- 890.0 KW
Boiler (20tph @ 45kg/cm ² /g)	- 325.0 KW
Misc	- 50.0 KW

Present Requirement	1265.0 KW 630.3 KW
TOTAL	1895.3 KW

Power Generation

The Company produces Steam from High Pressure Boiler 10.0 MT per Hrs. at 15 Kg. per Cm², working pressure with 240° C superheat steam temperature, which is passed through the Turbine (of 500 KW capacity). The Turbine rotates at 5000 rpm with the Electric Alternator, which produces electricity of 600-700 Amp. of 420 Volt & 50 Hz wherefrom the Company meets its power requirement for various sections of the factory. From the turbine outlet steam pressure of 1.25 Kg /Cm² Company runs its Alcohol Distillation Plant.

At present, the Company has one Turbine of 500 KW (Kessels make) capacity, which runs on a 24-hour basis.

D.G. Sets

For meeting the extra load, the Company runs one DG Set of 380 KVA during the day time, when plant and turbine under shutdown kept as stand-by.

PROPOSED REQUIREMENT

The Company proposed to install one more Turbine, of 2 MW capacity at 3.5 Kg Back pressure during the current expansion programme.

IV. STEAM GENERATION

a. Behror Facility:

At present, Steam, an essential component in the production process, is required for the production of Potable Alcohol (comprising Rectified Spirit and Extra-Neutral Alcohol), and also during the process of Liquefaction & Fermentation. The total steam required currently is as under:

Particulars of requirement	Quantity M.T./Day*
Present Requirement:	
Rectified Spirit & ENA Plant	165.0
Fermentation House 3%	4.9
Boiler & Turbine Losses 4%	6.6
Grain cooking	80.0
Sub-total	256.5
Additional Requirement:	
Rectified Spirit Plant/ENA	
- Steam for Cooking & Liquefaction : 1.1 Kg/Litre of Spirit	155.0
- Steam for Multipressure Distillation : 3.25 Kg/Litre of Spirit	
Sub-total	155.0
TOTAL	<u>411.5</u>

* On a three-shift basis

At present, the Distillery has two Boilers:

- i. One Boiler of 8 M.T./Hr capacity of Babcock & Wilcock make 15 Kg./Cm²
- ii. The Second Boiler of 10 M.T/Hr capacity of Thermax make 15 Kg./Cm²

The Boiler runs on Biogas and Pet Coke/Rice Husk. Biogas, incidentally, is generated during the course of primary treatment of Spent Wash in Bio-methanated reactor plant. Pet Coke and/or Rice Husk are procured from stockists and suppliers at competitive prices. The Company has never faced any problem in procuring Pet Coke and/or Rice Husk.

The Company is putting up a high-pressure boiler of 20 M.T./hour capacity i.e., 480 M.T./day in the proposed project, which will more take care of the total requirement of 411.50 M.T./day.

b. Samalkha Facility:

At present, Steam, an essential component in the production process, is required for the production of Industrial Alcohol (comprising Rectified Spirit and Extra-Neutral Alcohol), and also during the process of Fermentation. The total steam required currently is as under:

Particulars of requirement	Quantity M.T./Day*
Present Requirement:	
Rectified Spirit & ENA Plant	165.0
Fermentation House 3%	4.9
Boiler & Turbine Losses 4%	6.6
Sub-total	176.5
Additional Requirement:	
Rectified Spirit Plant/ENA	
- Steam for Cooking & Liquefaction	
- Steam for MPR distillation Plant	160.00
- Steam for Evaporator: 3.40 M.T./hour	81.60
Sub-total	241.60
TOTAL	418.10

* On a three-shift basis

At present, the Distillery has one Boiler:

One Boiler of 10.0 M.T./Hr capacity of Thermax makes 15 Kg./Cm²
Proposed Second Boiler of 20 M.T/Hr capacity of Cheema Boiler 42 Kg./Cm²

The Boiler runs on Biogas and Pet Coke. Biogas, incidentally, is generated during the course of primary treatment of Spent Wash in Bio-methanated reactor plant. Pet Coke is procured from Refineries. The Company has never faced any problem in procuring Pet Coke.

V. EFFLUENT TREATMENT PLANT - DISTILLERY

a. Behror Facility:

The Spent Wash generated from distillation is highly polluted in nature, as it is acidic in content. It adversely affects the flora & fauna of the region. In view of the above, for effective control of pollution, Effluent Treatment Plant (ETP) is required:

The treatment plant comprises as under:

- (a) **Pre treatment:** The Company has 2 Nos. of Mechanical Decanters, Model NX-408, Make- Alfa Laval, Capacity 10 M3 each to separate the dry grain from the spent wash which is saleable in the market and thin slops (liquid) goes to Primary Treatment Plant.
- (b) **Primary treatment plant:** The thin slops are treated in closed tank with the help of Methane forming bacteria. The organic matter is degraded by Methane forming bacteria in to Biogas, which is highly inflammable as it contains 60-65% CH₄ content, used as fuel in the Boiler.
- (c) **Secondary treatment plant:** To bring the above effluent to desired norms of pollution control Board, further treatment plant is required i.e. Secondary treatment plant based on Activated Sludge process and followed by extended aeration.

The effluent from primary treatment plant is feed in to this plant. This plant comprises following different units:

1. Aeration Tanks
2. Clarifier
3. Extended Aeration tank
4. Clarifier
5. Sludge drying beds

The secondary treatment is based on Aeration. The Aerators are provided to the tank with the result that the Aerobic bacteria degrade the organic matter.

- (d) **Disposal of treated effluent:** At present we are following ferti-irrigation system as per norms prescribed by the Pollution Control Boards and the Ministry of Environment and Forest. However, we propose to put up a Multi Effect Evaporation Plant to achieve avail zero pollution.

The Pollution load, as of on date, is as under:

Water:

Before Treatment:

S.S.	:	3,200 Kg./Day
B.O.D.	:	18,000 Kg./Day
C.O.D.	:	40,000 Kg./Day

After Primary Treatments:

S.S.	:	900 Kg./Day
B.O.D.	:	1,600 Kg./Day
C.O.D.	:	3,600 Kg./Day

After the installation of the Multi Effect Evaporation system, the resultant pollution load shall be Zero, due to non-discharge.

b. Samalkha Facility:

The Spent Wash generated from distillation is highly polluted in nature, as it is acidic in content. It adversely affects the flora & fauna of the region. In view of the above, for effective control of pollution, Effluent Treatment Plant (ETP) is required:

The treatment plant comprises as under:

- a. **Primary treatment plant:** The spent wash is treated in closed tank with the help of Methane forming bacteria. The organic matter is degraded by Methane forming bacteria in to Biogas, which is highly inflammable as it contains 60-65 % CH₄ content, used as fuel in the Boiler.
- b. **Bio composting:** As per the requirement of the Ministry of Environment and Forest, to avail zero pollution, the only process available at present is Bio Composting.

The effluent after Primary treatment plant is taken in Bio composting. The conversion of effluent into solid waste is done with the help of solid residue of Sugar mill waste known as press mud. The press mud has all available nutrients for plant growth, and the Bio methanated wastewater, which also contains organic matter, is left and degraded, is sprayed over Press mud.

The Biocompost process completes in 45 / 60 Days time.

The Pollution load, as of on date, is as under:

Water:

Before Treatment:

S.S.	:	4,000 Kg./Day
B.O.D.	:	45,000 Kg./Day
C.O.D.	:	1,25,000 Kg./Day

After Primary Treatments:

S.S.	:	1,800 Kg./Day
B.O.D.	:	6,000 Kg./Day
C.O.D.	:	35,000 Kg./Day

After the installation of the Bio-Composting Treatment plant, the resultant pollution load shall be Zero, due to non-discharge.

PRODUCTS

The Company at present manufactures Rectified Spirit, ENA, Country Liquor and IMFL at both its units. The total production of the Company for the year 2008 -09 for the following products in both the units combined are as follows:

• Rectified Spirit 80 KLPD	: 231.10 Lakh Bulk Litres per annum
• ENA 40 KLPD	: 49.88 Lakh Bulk Litres per annum
• Country Liquor	: 49.67 Lakh Cases per annum
• IMFL	: 9.80 Lakh Cases per annum

BRANDS

GSL's major brands are as under:-

Country Liquor

- Rana
- Rajasthan No.-1
- Ghoomar
- Samalkha No.-1
- Samalkha Ki Saunfi
- Kinnu
- Commander

IMFL

- White Lace Gin White Lace Dry Gin

- White Lace Duet Gin GR 8 Times Dry Gin Samurai Gold Extra Rich Blend Whisky
- Samurai Premium Whisky 20-20 Premium Whisky
- 20-20 Superior Whisky *
- GR 8 Times Whisky
- GR 8 Times XXX Rum
- Hannibal Legendry RumHannibal Legendry XXX Rum *
- Samurai XXX Rum
- Samurai Grape Brandy
- Samurai Superior Grape Brandy *
- Samurai Superior Whisky *
- Academy Deluxe XXX Rum
- Academy Deluxe Brandy

*As per the prevailing state excise norms applicable at Karnataka, the license etc. for manufacture and bottling, the brands are approved by Excise Authorities in the name of Tracstar Investments Pvt. Ltd. Labelled as "Blended and Bottled by Tracstar Investments Pvt. Ltd. for Globus Spirits Limited". With the completion of the IMFL Bottling Section at Samalkha, the Company has registered itself with the Excise Authorities and now the manufacture, bottling and sale of the brands in Haryana and Chandigarh are handled by the Company.

MARKETING

GSL is a well-established company in this line of activity for the last 16 years. The Company has been growing since inception. GSL has some reputed companies in this industry as its customers. The Company has started to roll out its own brands, which has further cemented its position. Accordingly, no difficulties are expected in marketing the additional production.

Distribution:

In some States, licenses for selling alcoholic beverages are allotted through auction. At present, India has around 40,000 licensed retail alcoholic beverage outlets (*Source: Financial Appraisal Report dated 05.09.2008 of SBI*)

Existing Marketing Arrangement

i. ENA

ENA manufactured by the Company is in great demand and IMFL brand leaders like UB Group, BDA Ltd, Jagatjit Industries buy the Company's ENA for manufacturing their well known products. ENA is also purchased by small pharmacies, perfumeries etc.

ENA also goes into the bottling of various IMFL brands.

ii. Rectified Spirit

Rectified Spirit is used for the manufacture of the Company's branded Country Liquor. It is also used for conversion into ENA. Surplus Rectified Spirit, if any, is sold in the market to other Country Liquor and IMFL manufacturing companies, either within the state or outside the state.

MAJOR CUSTOMER

Product Segment:

a. RECTIFIED SPIRIT/ENA

The Company is one of the major supplier of Industrial Spirits i.e. Rectified Spirits/Extra Neutral Alcohol to the potable liquor manufacturers like United Spirits Limited, Allied Blenders and Distillers Limited, Jagatjit Industries Limited and Seagrams India Limited. With increase in capacity, its is expected that the sale of Industrial Spirit sale would further grow as there would be extra disposable spirits.

b. Denatured Spirit

Spirit which is collected as 'impure' during the course of manufacturing of Rectified Spirit and ENA, also known as 'heads', is sold to various industrial consumers who are in the business of manufacture of paints and chemicals.

c. Country Liquor

The Company has a good presence in Rajasthan, Haryana and Delhi in the Country Liquor Segment. The Company has in the year 2008 - 09 sold 19,93,342 cases of Country Liquor in Rajasthan and 17,28,500 cases of Country Liquor in Haryana. The Company also sold 1201200 cases of Country Liquor in Delhi in financial year 2008 - 09

d. IMFL

The Company has started manufacturing its own IMFL brands in the last year.

The focus of marketing now has been to build brands and/or acquire existing ones, which would ensure a high growth in volume, a steady increase in market share as well as be strong enough to take on competition, both international and local.

Some of the Major Customers during the year ended March 31, 2009 is as under:

Sl. No.	NAME OF CUSTOMER	Segment
1	Rajasthan State Beverages Corporation Ltd., Jaipur, Rajasthan	IMFL
2	Rajasthan State Ganganagar Sugar Mills Ltd., Bhiwadi, Rajasthan	Country Liquor & RS / ENA
3	United Spirits Ltd., Palwal Faridabad, Gurgaon	RS / ENA
4	Delhi Tourism & Transport Development Corporation, New Delhi	Country Liquor
5	Kerala State Beverages Corporations Ltd., Kerala	IMFL
6	Allied Blenders & Distilleries Pvt. Ltd., Gurgaon, Haryana	RS / ENA
7	Delhi Consumer Cooperation Whole Sale Store, New Delhi	Country Liquor
8	Delhi State Civil Supplies Corporation Ltd., New Delhi	Country Liquor
9	Jagatjit Industries Limited, New Delhi	RS / ENA
10	Delhi State Industrial Development Corporation Ltd., New Delhi	Country Liquor

Future Prospects

Potable Liquor consumption is increasing at 10 per cent per annum, which means that the Company's captive consumption for Rectified Spirit for use in Country Liquor will go up every year.

Like wise ENA consumption for potable use will go up, because volume of IMFL bottling operations will increase.

The Company has already entered the IMFL segment by launching its own brands in Haryana, Rajasthan, Chandigarh, Uttar Pradesh, Kerala, Andhra Pradesh and Karnataka. The Company also proposes to launch the brands further in two states/Union territory in North India and one state/Union Territory in South India. The Company envisages that its presence in more and more states of the Country will give it a better competitive position in the IMFL segment.

The Company proposes to manufacture ENA both from Molasses as well as Grain, depending on the market demand.

Indian IMFL Industry has undergone a sea change ever since the world markets opened up. World famous Scotch whisky brands are now manufactured across the country. Seagram, Liquor Company of international repute, manufactures all its brands from grain-based ENA.

New IMFL brands are now being launched using grain ENA as raw material. The Company is in the process of negotiating with all such buyers who need grain as raw material for their well-known brands. The Company feels that over a period of time Country Liquor will be manufactured using ENA as raw material. Demand for ENA is therefore likely to go up.

The Indian alcohol industry comprises Indian Made Foreign Liquor (IMFL) like Whisky, Rum, Brandy, Gin, Vodka, etc., which together sell 100 million cases a year; Beer sells another 90 million cases per year and Wine sells only around 5 lac cases per year.

India is emerging as the largest global market for whisky, registering sales of more than 60 million cases per annum. Other Spirits (Brown – Brandy/Rum; White – Gin, Vodka, Rum) constitute the rest 40% of IMFL market.

Of late, white spirits although currently placed at only 5% of the market are growing at a much faster pace of 40% p.a. as against 10% p.a. growth of the overall IMFL market.

The demand for Alcoholic Beverages has been growing at a steady pace of approximately 10% p.a. and is expected to continue to grow at this rate in the future. Supply is expected to match the demand over the medium term. The overall profitability of the industry would continue subject to the prices of molasses and the extent of competition, besides the duties levied by State Governments.

(Source: Financial Appraisal Report of SBI dated September 5, 2008)

MARKETING ARRANGEMENTS FOR BY-PRODUCT

Globus is running the distillery in which Carbon-dioxide (CO₂) gas is produced, which is being vetted out.

The Company has entered into a Memorandum of Understanding (MOU) on November 16, 2005 with M/s Rishi Gase, A-401, Young Area, Sector -7, Dwaraka, New Delhi. The salient features of the MOU are as under:

Rishi Gase has offered to purchase the waste CO₂ gas and purify the same by installing necessary plant required for the purpose for onward selling in the market. The sale of CO₂ shall be on the terms and conditions:

1. The Company will provide raw CO₂ gas after covering their fermentation vessel and scrubbing it with water to remove alcohol via pipeline upto the CO₂ liquefaction plant of Rishi Gase.
2. The Company will provide 600-800 Sq. metre of land in its premises to Rishi Gase free of cost for putting up the required plant.
3. The Company will also construct a shed of size 70 feet by 50 feet on the above land.
4. The Company will also provide waste steam to Rishi Gase at actual cost.
5. Rishi Gase will install complete plant for purification of the gas supplied to them on the Company's premises including arrangements for filling the same in cylinder/tankers.
6. Rishi Gase will lift minimum of 200 MT of CO₂ gas per month from the Company subject to uninterrupted supply of gas from the Company. In case of distribution in the supply of the gas on part of the Company, the minimum lifting will be calculated accordingly on pro rata basis. The minimum lifting of CO₂ should be based on 25 working days i.e., if the Company is able to supply the gas for 25 days in a month Rishi Gase assures minimum 200 MT of lifting.
7. Rishi Gase shall pay to the Company the price of the gas at Rs. 500 per MT on monthly basis. The purchase price will be first revised after a period of two years from the date of commercial production of liquid CO₂ and subsequently there will be revision after every two years based on the prevailing market prices. The market price will be determined on the basis of difference in bulk selling price of liquid CO₂ gas of similar distillery based liquid CO₂ plants i.e., M/s Jubilant Organosys Limited etc. during the revision in prices of

- Rishi Gase and other inputs like Diesel, labour and chemicals etc. will also be taken into account. Taxes and duties shall be payable extra by Rishi Gase.
8. The Company will also provide electricity connection of 180 KW to Rishi Gase along with a separate metre for metering the consumption. The security deposit required for taking electricity connection of 180 KW from RSEB will be paid by Rishi Gase, which will be refunded after the expiry of contract. The Company will also provide alternate arrangements for the uninterrupted supply of electricity either by means of DG Set/Power turbine. Rishi Gase will pay to the Company the actual cost of electricity consumed either supplied by RSEB or by the Company through their DG Set/Power turbine on monthly basis.
 9. The Company shall also provide water connection in the plant premises to Rishi Gase free of cost.
 10. This agreement shall be irrevocable and will remain valid for a period of Ten years from the date and may be further extended for such terms and conditions as may be mutually agreed upon.

BRAND ACQUISITION

Company is also on the look out for acquisition of known brands, either in civil or defence market. Negotiations are underway with couple of brand owners who are currently supplying to defence services through Canteen Stores Department. Canteen Stores Department purchases approximate 1 crore cases of IMFL every year for meeting the demand of armed forces and the same is on the increase. It is proposed to initially buy one brand of a matured Rum. Approximately, 60 lakh cases of Rum are procured by CSD every year.

For details regarding acquisition plans, please refer to the section titled "Objects of the Issue" at page no. 32 of the Red Herring Prospectus.

OUTSOURCING ARRANGEMENTS/BOTTLING TIE-UPS

The Company has entered into the following agreements for bottling IMFL:

Sl. No.	PARTICULARS & PARTIES INVOLVED	DATE, PERIOD & NATURE OF AGREEMENT	REMARKS
1.	<p>Manufacturing Agreement</p> <p>Parties:</p> <p>BDA Private Limited 12, Evergreen Industrial Estate Shakti Mills Lane Off Haines Road Mahalaxmi Mumbai – 400 011 Maharashtra</p> <p>&</p> <p>Globus Agronics Limited C-631 New Friends Colony New Delhi – 110 065</p> <p>Supplementary Agreement</p>	<p>Date: 15.2.2007</p> <p>Period: 15.2.2007-31.3.2010</p> <p>Globus shall manufacture such products that BDA will require to be manufactured at the bottling plant of Globus at Behror.</p> <p>Brands to be bottled by Globus:</p> <ol style="list-style-type: none"> 1. Officer's Choice Prestige Whisky. 2. Officer's Choice Classic Whisky. 3. Officer's Choice No. 1 Brandy. 4. Officer's Choice XXX Rum. 5. Class Vodka. <p>Date: 16.3.2007</p> <p>1. The name of the Company Globus Agronics Limited with whom a manufacturing Agreement dated 15th February 2007 was entered into by BDA Pvt. Ltd. has been changed to Globus Spirits Limited as per the</p>	<p>After expiration of the initial term, agreement may be renewed by BDA for a further period of 3 years upon mutually agreed terms and conditions.</p>

		<p>Certificate dated 23rd January 2007.</p> <p>2. It has been agreed by both parties that the name Globus Agronics Limited will be read as Globus Spirits Limited in the Manufacturing Agreement dated 15th February 2007 entered into between BDA Private Ltd. with Globus Agronics Limited. All terms, conditions, obligations & duties of Globus Agronics Ltd will now be performed by Globus Spirits Ltd.</p>	
2.	<p>Manufacturing Agreement</p> <p>Parties:</p> <p>Globus Spirits Limited C-631 New Friends Colony New Delhi – 110 065</p> <p>&</p> <p>SVP Industries Limited Mansurpur Distt. Muzaffarnagar Uttar Pradesh</p>	<p>Date: 18.4.2007</p> <p>Period: 15.4.2007-31.3.2010</p> <p>SVP Industries Limited (SVP) shall manufacture such products that Globus Spirits will require to be manufactured at the bottling plants of SVP Industries at Mansurpur.</p> <p>Brands to be bottled by SVP:</p> <ol style="list-style-type: none"> Samurai Gold Whisky White Lace Gin Hannibal Legendary Rum White Lace Duet Gin White Lace Vodka 	<p>After expiration of the initial term, agreement may be renewed by GSL for a further period of 3 years upon mutually agreed terms and conditions.</p>
3.	<p>Manufacturing Agreement</p> <p>Parties:</p> <p>Globus Spirits Limited C-631 New Friends Colony New Delhi – 110 065</p> <p>&</p> <p>Tracstar Investments Private Limited 394-C, Lamington Chambers, Lamington Road, Mumbai - 400004</p>	<p>Date: 25.04.2008 and extended by Letter dated 29.06.2009</p> <p>Period: 25.04.2008 – 30.06.2009 and extended from 01.07.2008 – 30.06.2010</p> <p>Tracstar Investments Private Limited (TIPL) shall manufacture such products that Globus Spirits will require to be manufactured at the bottling unit of TIPL at Tumkur Road, Bangalore.</p> <p>Brands to be bottled by TIPL:</p> <ol style="list-style-type: none"> Globus Superior VSOP Brandy 20/20 Superior Whisky Samurai Superior Whisky Samurai Superior Grape Brandy Hannibal Legendary XXX Rum White Lace Premium Dry Gin White Lace Premium Vodka 	<p>After expiration of the initial term, agreement may be renewed by GSL for a further period of 3 years upon mutually agreed terms and conditions.</p>

4	<p>Sub Lease Agreement & Supplementary Agreement</p> <p>Parties:</p> <p>Globus Spirits Limited C-631 New Friends Colony New Delhi – 110 065</p> <p>&</p> <p>Bagga Distillery Hyderabad Private Limited Plot No. 122/A, MLA Colony, Road No. 12, Banjara Hills Hyderabad – 500 034</p>	<p>Sub Lease Agreement Date: 14.03.2008</p> <p>Supplementary Agreement Date: 14.03.2008 and extended by Letter dated 28.03.2009</p> <p>Period: 01.04.2008 – 31.03.2009 and extended from 01.04.2009 – 31.03.2010</p> <p>Globus is entitled to use the blending & bottling, storage and other infrastructure facilities of Bagga Distillery Hyderabad Private Limited (BDHPL) located at 34-B Satamari Village, Ranga Reddy District, Andhra Pradesh</p> <p>BDHPL shall sub lease to Globus its land & Building, plant & machinery.</p> <p>Globus shall arrange for production & lifting of minimum quantity of 99,000 cases every six months & in case of any shortfall (which shall not be in excess of 20% cases) in such commitment Globus shall pay a penalty</p>	
5.	<p>Bottling Privilege Agreement & Supplementary Agreement</p> <p>Parties:</p> <p>Globus Spirits Limited C-631 New Friends Colony New Delhi – 110 065</p> <p>&</p> <p>SVP Industries Limited Mansurpur Distt. Muzaffarnagar Uttar Pradesh</p>	<p>Date: 17.9.2007</p> <p>Supplementary Agreement Date : 01.04.2008</p> <p>Period: 17.9.2007-31.3.2010</p> <p>SVP Industries Limited (SVP) has been assigned the bottling privilege to bottle upto 20,000 cases of IMFL per month and the facilities, including bottling hall and storage facility and such other additional facility, required for the same.</p> <p>Brands to be bottled by SVP:</p> <ul style="list-style-type: none"> i. Samurai Gold Whisky ii. Hannibal Legendary Rum iii. White Lace Gin iv. White Lace Duet Gin v. Goldee Whisky 	

6.	<p>Manufacturing Agreement</p> <p>Parties:</p> <p>Globus Spirits Limited C-631 New Friends Colony New Delhi – 110 065</p> <p>&</p> <p>Imperial Spirits Limited Govindhapuram Chittur Taluka Palakkad District Kerala</p>	<p>Date: 01.04.2009</p> <p>Period: 01.04.2009 – 31.03.2010</p> <p>Imperial Spirits Limited (ISL) shall manufacture, process and pack IMFL Products of brands of GSL as follows at their Distillery/Bottling Unit at kerala :</p> <ol style="list-style-type: none"> Black Lace XXX Rum Goldee Fine Brandy Samurai Grape Brandy Hannibal Legendary XXX Rum Academy Deluxe Brandy Academy XXX Rum Samurai XXX Rum Globus Premium VSOP Brandy Trojan XXX Rum 	<p>This Agreement may be renewed for further periods upon such terms and conditions as may be mutually agreed upon. The terms will be reviewed every year and suitable changes made on mutual consent.</p>
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- The Company had on 01.03.2008 entered into a Manufacturing Agreement with The Devicolam Distilleries Limited (DDL), Parakkamugal, Kusumagiri, P.O. Kakkanad, Kochi – 682030, Kerala for manufacture, process and pack of IMFL Products of such brands as specified by the Company at DDL's Distillery/Bottling Unit. The Brands that were manufactured by DDL were Samurai Grape Brandy, Goldee Fine Brandy and Black Lace XXX Rum. The said Manufacturing Agreement was valid for the period from 01.03.2008 to 31.03.2012.

The Company has terminated the Manufacturing Agreement entered into with The Devicolam Distilleries Limited, Parakkamugal, Kusumagiri, P.O. Kakkanad, Kochi – 682030, Kerala w.e.f 01.02.2009 in terms of clause 7.1 of the said Manufacturing Agreement.

- The Company had on 15.04.2007 entered into a Manufacturing & Usership Agreement with Associated Distilleries Limited (ADL), C-631 New Friends Colony, New Delhi – 110 065 for manufacture of such brands as specified by the Company to be manufactured at the bottling plants of ADL at Haryana. The Brands that were bottled by ADL for Haryana, Chandigarh and Kerala were as follows :

For Haryana :

- Samurai Whisky
- White Lace Duet Gin
- Hannibal Legendary Rum
- White Lace Gin

For Chandigarh:

- Samurai Gold Whisky
- White Lace Vodka
- Hannibal Legendary Rum
- White Lace Duet Gin
- White Lace Gin

For Kerala:

- Samurai Grape Brandy
- Black Lace XXX Rum

The said Manufacturing & Usership Agreement was valid for the period from 15.04.2007 to 31.03.2010.

The Company has terminated the Manufacturing & Usership Agreement entered into with Associated Distilleries Limited, C-631 New Friends Colony, New Delhi – 110 065 w.e.f 27.03.2009 as the Company has started bottling of its own IMFL brands at Haryana and

hence the Company would be marketing and selling its own products in the states mentioned on its own.

- The Company has entered into a Lease Agreement dated January 30, 2009 with Jagatjit Industries Ltd. (JIL), having its registered office at Post Office : Jagatjit Nagar (Hameera), Dist. : Kapurthala, Punjab – 144802 and corporate office at 4th Floor, Bhandari House, 91 Nehru Place, New Delhi – 110019 for lease of a part of the Company's factory to JIL for the purpose of manufacture of IMFL. The Lease shall be for a period of 5 (Five) years and shall commence on the date the D-2 license is granted by the Excise Commissioner of State of Haryana to JIL. The Lease Agreement will become operative only after JIL received the D-2 License, duly issued by the Excise Commissioner, State of Haryana as approval for the partial subleasing of the Company's facilities for IMFL bottling to JIL for manufacture of JIL's Indian Made Foreign Liquor (IMFL) brands. JIL will operate and manage the Bottling Plant and manufacture and sell the IMFL under its own trade name and/or brand name. JIL would be paying a monthly lease rental of Rs. 150000/- (Rupees One Lac Fifty Thousand only) per month to the Company.

EXPORT OBLIGATIONS:

The Company has no export obligations pending as of now.

SWOT ANALYSIS – As envisaged by the Company's management.

STRENGTHS

- Geographical presence in 6 States: Haryana, Rajasthan, Kerala, Andhra Pradesh, Karnataka & Uttar Pradesh
- Multifeed Stock (Grain and Molasses)
- Low Term Loan outstanding of Rs.169.81 lakhs as on June 30, 2009
- Knowledge of Industry - Commercial & Technical
- Country Liquor Volumes: 4.14 lakhs cases / month - 5 Million cases per annum
- Low Overhead cost
- Bottling high quality IMFL products
- Developed and launched own IMFL Brands

OPPORTUNITIES

- Potential to add capacity in both locations.
- Fuel Ethanol (world wide phenomenon)
- Further products possible – Animal Feed, CO₂, Bio-fertilizers and Power
- Medium sized Distilleries in both locations.
- Acquiring/Developing IMFL Brands
- Country Liquor Branding

WEAKNESSES

- No Brand presence in IMFL segment.
- Lack of nation-wide presence.
- Limited distribution network of IMFL

THREATS

- Effluent Related Issues as the Central Pollution Control Board have strict pollution control norms and as per the norms set by the Central Pollution Control Board all the distilleries have to follow zero discharge of water. Though at present both the distilleries of the Company have installed the necessary equipments for zero discharge facility, but there may be stricter norms in future and the distilleries may need to further strengthen the effluent issues of water and air
- Low Cost Manufacturing units outselling Company's produce in the market
- More Distilleries coming up attached to Sugar Mills
- New Plants with better efficiencies
- Market Perception and sustainability

BUSINESS STRATEGY

The Company is engaged in the business of manufacture, marketing and sale of Industrial Alcohol, Country Liquor, and Indian Made Foreign Liquor (IMFL). The Company has established

its distinct identity in the Country Liquor segment and also in bottling IMFL for high quality liquor brands.

LICENSED & INSTALLED CAPACITY FOR PAST THREE YEARS:

-----2006-07-----2007-08-----2008-09-----

ITEMS	Unit	Licensed Capacity	Installed Capacity	Production	Licensed Capacity	Installed Capacity	Production	Licensed Capacity	Installed Capacity	Production
Rectified Spirit	Lakh BL per annum	288	288	220.24	288	288	206.40	288	288	231.10
Capacity Utilization				76.47%			71.67%			80.24%

PROPOSED CAPACITY FOR NEXT THREE YEARS:

-----2009-10-----2010-11-----2011-12-----

ITEMS	Unit	Licensed Capacity	Installed Capacity	Production	Licensed Capacity	Installed Capacity	Production	Licensed Capacity	Installed Capacity	Production
Rectified Spirit	Lakh BL per annum	498	288	284	498	498	448.20	498	498	473.10
Capacity Utilization				98.61%			90%			95%

The Installed Capacity of Industrial Alcohol is in the process of being increased to 498 lakh BL per annum by March 2010. The average capacity utilization for the previous three years i.e., FY 2006-07 to FY 2008-09 was 76.12% and the capacity utilization in 2009-10 is projected at 98.61% In 2008-09, in Behror capacity utilisation was 95.38%, while in Samalkha unit capacity utilisation was 65.12%. In the month of July – August, 2007, the Samalkha Unit was fully converted to accept and use both raw materials i.e. molasses & grain, hence there was a planned shut down to interconnect new facilities with existing facilities. Further the plant took time to stable in grain. There was a production loss of almost 45 days in 2007-08 for the above reason. This has resulted in lower capacity utilisation in 2007-08.

QUALITY CERTIFICATIONS

The Company has received from Monde Selection, International Institute for Quality Selections, Brussels Belgium a silver medal for Hannibal Legendary Rum at the 46th World Selection 2008 for Spirits & Liqueurs.

INSURANCE

The Company has taken insurance policies insuring major risks relating to its stocks, building, plant & machinery, accessories at its manufacturing facilities at Behror, Rajasthan and Samalkha, Haryana. The Company has also taken vehicle insurance for the vehicles owned by the Company. However the insurance policies may not provide adequate coverage in certain circumstances and are subject to deductibles, exclusions and limit on coverage

Details of the various policies are as provided hereunder:

Sl. No	Name of the Insurance Company	Description of Property	Total sum insured (Rs. in lakhs)	Type of Insurance	Cover Note/ Policy Number	Date of Policy	Date of expiry
1.	The Oriental Insurance Company Limited	Building, Plant & Machinery & Stock (Behror Unit)	3450.00 (covering Rs. 550 lakhs towards building, Rs. 2150 lakhs towards plant & machinery and Rs. 750 lakhs towards stock)	Standard Fire and Special Perils Policy	242306/11/2009/27	18.10.2008	17.10.2009
2.	The Oriental Insurance Company Limited	Stock of Raw, Finished & processed Goods, & stock of spares, fuels, packing materials (Behror Unit)	750.00	Burglary	Cover Note No. JRO/2006	18.10.2008	17.10.2009
3.	National Insurance Company Limited	Building and Plant & Machinery (Samalkha Unit)	2600.00 (covering Rs. 2200 lakhs towards building and Rs. 400 lakhs towards plant & machinery)	Standard Fire and Special Perils Policy	354800/11/08/3400000098	08.09.2008	07.09.2009
4.	National Insurance Company Limited	Stock of Liquor & Spirits, Finished & Semi Finished Products, Packing Materials, fuel, oil (Samalkha Unit)	700.00	Standard Fire and Special Perils Policy	354800/11/08/3400000116	11.10.2008	10.10.2009
5.	National Insurance Company Limited	Stock of Spirit & Packaging materials, fuel, oil, LIG diesel & pet cake (Samalkha Unit)	700.00	Misc – Traditional Business Policy	354800/46/08/7500000147	11.10.2008	10.10.2009

There are no pending claims with regard to the insurance policies held by the Company.

PROPERTY

A. Properties owned by the Company:

i. Behror Unit

Sl. No.	Title/Ownership/ Consideration	Nature	Location/ Registration	Area	Khasra/ Khatauni
1.	M/s Globus Agronics Limited Date of Agreement: 25.3.1995 vide Deed of Sale Consideration (Rs. 86,000/-)	Freehold Land Vendor: Mr. Yad Ram Vendee: M/s Globus Agronics Limited	Village Shayampur Tehsil Behror Distt. Alwar Rajasthan Registration: Registered at 161, Bahi No.1 Jild No. 190 on page no. 190 and Jild no. 144 on pages 97-100 on 25.03.1995 in the office of Sub-Registrar, Behror Distt. Alwar.	Total property of area 21.50 Aiyer falling in Khasra no. 224	Khasra No. 224
2.	M/s Globus Agronics Limited Date of Agreement: 16.10.2002 vide Deed of Sale Consideration (Rs. 2,19,000/-)	Freehold Land Vendor: Mr. Ramesh Chand Vendee: M/s Globus Agronics Limited	Village Shayampur Tehsil Behror Distt. Alwar Rajasthan Registration: Registered at 2160, Bahi No.1 Jild No. 252 on page no. 105 and Jild no. 356 on pages 198-201 in the office of Sub-Registrar, Behror Distt. Alwar.	Total property of area 36.50 Aiyer falling in Khasra no. 223	Khasra No. 223
3.	M/s Globus Agronics Limited Date of Agreement: 12.1.1995 vide Deed of Sale Consideration (Rs. 1,64,000/-)	Freehold Land Vendor: Mr. Tarachand & Mr. Chittar Vendee: M/s Globus Agronics Limited	Village Shayampur Tehsil Behror Distt. Alwar Rajasthan Registration: Registered at 25, Bahi No. 1 Jild No. 190 on page no. 54 and Jild No. 192 on pages 50-52 on 12.1.1995 in the office of Sub-Registrar, Behror, Distt. Alwar.	Total property of area 41 Aiyer falling in Khasra No. 204	Khasra No. 204
4.	M/s Globus Agronics Limited Date of Agreement: 12.1.1995 vide Deed of Sale Consideration (Rs. 1,64,000/-)	Freehold Land Vendor: Mr. Gyada Ram & Ms. Misro Vendee: M/s Globus Agronics Limited	Village Shayampur Tehsil Behror Distt. Alwar Rajasthan Registration: Registered at 24, Bahi No.1 Jild No. 190 on page no. 53 and Jild No. 192 on pages 46-49 on 12.1.1995 in the	Total property of area 41 Aiyer falling in Khasra No. 204	Khasra No. 204

			office of Sub-Registrar, Behror, Distt. Alwar.		
5.	M/s Globus Agronics Limited Date of Agreement: 12.1.1995 vide Deed of Sale Consideration (Rs. 1,32,000/-)	Freehold Land Vendor: Mr. Pratap Singh Vendee: M/s Globus Agronics Limited	Village Shayampur Tehsil Behror Distt. Alwar Rajasthan Registration: Registered at 17, Bahi No. 1 Jild No. 190 on page no. 46 and Jild No. 192 on pages 19-22 on 12.1.1995 in the office of Sub-Registrar, Behror, Distt. Alwar.	Total property of area 33 Aiyer comprising 8 Aiyer in Khasra No. 208, 12 Aiyer in Khasra No. 209, and 13 Aiyer in Khasra No. 210	Khasra No. 208, 209, and 210
6.	M/s Globus Agronics Limited Date of Agreement: 12.1.1995 vide Deed of Sale Consideration (Rs. 1,08,000/-)	Freehold Land Vendor: Mr. Pratap Singh Vendee: M/s Globus Agronics Limited	Village Shayampur Tehsil Behror Distt. Alwar Rajasthan Registration: Registered at 18, Bahi No. 1 Jild No. 190 on page no. 47 and Jild No. 192 on pages 23-25 on 12.1.1995 in the office of Sub-Registrar, Behror, Distt. Alwar.	Total property of area 27 Aiyer comprising 13 Aiyer in Khasra no. 211, and 14 Aiyer in Khasra no. 212	Khasra No. 211 and 212
7.	M/s Globus Agronics Limited Date of Agreement: 13.1.1995 vide Deed of Sale Consideration (Rs. 1,84,000/-)	Freehold Land Vendor: Mrs. Chameli, Sonaram, Lilaram, Sishram, Mamraj, Pramati Vendee: M/s Globus Agronics Limited	Village Shayampur Tehsil Behror Distt. Alwar Rajasthan Registration: Registered at 32, Bahi No. 1 Jild No. 190 on page no. 61 and Jild No. 192 on pages 71-74 on 13.1.1995 in the office of Sub-Registrar, Behror, Distt. Alwar.	½ of Total property of area 92 Aiyer comprising 43 Aiyer in Khasra no. 201, and 49 Aiyer in Khasra no. 206 aggregating to 46 Aiyer	Khasra No. 201 and 206
8.	M/s Globus Agronics Limited Date of Agreement: 13.1.1995 vide Deed of Sale Consideration (Rs. 1,84,000/-)	Freehold Land Vendor: Mrs. Chameli, Sonaram, Lilaram, Sishram, Mamraj, Pramati Vendee: M/s Globus Agronics Limited	Village Shayampur Tehsil Behror Distt. Alwar Rajasthan Registration: Registered at 33, Bahi No. 1 Jild No. 190 on page no. 62 and Jild No. 192 on pages 75-78 on 13.1.1995 in the office of Sub-Registrar, Behror, Distt. Alwar.	½ of Total property of area 92 Aiyer comprising 43 Aiyer in Khasra no. 201, and 49 Aiyer in Khasra no. 206 aggregating to 46 Aiyer	Khasra No. 201 and 206
9.	M/s Globus Agronics Limited	Freehold Land	Village Shayampur Tehsil Behror	¼ of Total property of area 1.65 Aiyer	Khasra No. 214

	<p>Date of Agreement: 25.3.1995 vide Deed of Sale</p> <p>Consideration (Rs. 1,65,000/-)</p>	<p>Vendor: Mr. Yadram</p> <p>Vendee: M/s Globus Agronics Limited</p>	<p>Distt. Alwar Rajasthan</p> <p>Registration: Registered at 160, Bahi No. 1 Jild No. 190 on page no. 189 and Jild No. 194 on pages 93-96 on 25.3.1995 in the office of Sub-Registrar, Behror, Distt. Alwar.</p>	<p>i.e., 41.25 Aiyer in Khasra no. 214</p>	
10.	<p>M/s Globus Agronics Limited</p> <p>Date of Agreement: 25.3.1995 vide Deed of Sale</p> <p>Consideration (Rs. 1,65,000/-)</p>	<p>Freehold Land</p> <p>Vendor: Mr. Yadram</p> <p>Vendee: M/s Globus Agronics Limited</p>	<p>Village Shayampur Tehsil Behror Distt. Alwar Rajasthan</p> <p>Registration: Registered at 159, Bahi No. 1 Jild No. 188 on page no. 190 and Jild No. 194 on pages 90-92 on 25.3.1995 in the office of Sub-Registrar, Behror, Distt. Alwar.</p>	<p>1/4 of Total property of area 1.65 Aiyer i.e., 41.25 Aiyer in Khasra no. 214</p>	Khasra No. 214
11.	<p>M/s Globus Agronics Limited</p> <p>Date of Agreement: 12.1.1995 vide Deed of Sale</p> <p>Consideration (Rs. 1,65,000/-)</p>	<p>Freehold Land</p> <p>Vendor: Mr. Chorta</p> <p>Vendee: M/s Globus Agronics Limited</p>	<p>Village Shayampur Tehsil Behror Distt. Alwar Rajasthan</p> <p>Registration: Registered at 14, Bahi No., 1 Jild No. 190 on page no. 43 and Jild No. 192 on pages 10-12 on 12.1.1995 in the office of Sub-Registrar, Behror, Distt. Alwar.</p>	<p>¼ of Total property of area 1.65 Aiyer in Khasra no. 214 amounting to 41.25 Aiyer</p>	Khasra No. 214
12.	<p>M/s Globus Agronics Limited</p> <p>Date of Agreement: 12.1.1995 vide Deed of Sale</p> <p>Consideration (Rs. 1,65,000/-)</p>	<p>Freehold Land</p> <p>Vendor: Mr. Chorta</p> <p>Vendee: M/s Globus Agronics Limited</p>	<p>Village Shayampur Tehsil Behror Distt. Alwar Rajasthan</p> <p>Registration: Registered at 13, Bahi No., 1 Jild No. 190 on page no. 42 and Jild No. 192 on pages 7-9 on 12.1.1995 in the office of Sub-Registrar, Behror, Distt. Alwar.</p>	<p>¼ of Total property of area 1.65 Aiyer in Khasra no. 214 amounting to 41.25 Aiyer</p>	Khasra No. 214
13.	<p>M/s Globus Agronics Limited</p> <p>Date of Agreement: 12.1.1995 vide Deed of Sale</p> <p>Consideration (Rs. 1,58,000)</p>	<p>Freehold Land</p> <p>Vendor: Mr. Birda</p> <p>Vendee: M/s Globus Agronics Limited</p>	<p>Village Shayampur Tehsil Behror Distt. Alwar Rajasthan</p> <p>Registration: Registered at 12, Bahi No. 1 Jild No. 190 on page no. 41 and Jild No.</p>	<p>½ of Total property of area 79 Aiyer amounting to 39.50 Aiyer in Khasra no. 213</p>	Khasra No. 213

			192 on pages 4-6 on 12.1.1995 in the office of Sub-Registrar, Behror Distt. Alwar.		
14.	M/s Globus Agronics Limited Date of Agreement: 12.1.1995 vide Deed of Sale Consideration (Rs. 1,58,000)	Freehold Land Vendor: Mr. Birda Vendee: M/s Globus Agronics Limited	Village Shayampur Tehsil Behror Distt. Alwar Rajasthan Registration: Registered at 11, Bahi No. 1 Jild No. 190 on page no. 40 and Jild No. 192 on pages 1-3 on 12.1.1995 in the office of Sub-Registrar, Behror Distt. Alwar.	½ of Total property of area 79 Aiyer amounting to 39.50 Aiyer in Khasra no. 213	Khasra No. 213
15.	M/s Globus Agronics Limited Date of Agreement: 12.1.1995 vide Deed of Sale Consideration (Rs. 1,60,000)	Freehold Land Vendor: Mr. Rameshwar Vendee: M/s Globus Agronics Limited	Village Shayampur Tehsil Behror Distt. Alwar Rajasthan Registration: Registered at 21, Bahi No. 1 Jild No. 190 on page no. 50 and Jild No. 192 on pages 34-37 on 12.1.1995 in the office of Sub-Registrar, Behror Distt. Alwar.	Total property of area 40 Aiyer in Khasra no. 215	Khasra No. 215
16.	M/s Globus Agronics Limited Date of Agreement: 12.1.1995 vide Deed of Sale Consideration (Rs. 1,60,000)	Freehold Land Vendor: Mr. Rameshwar Vendee: M/s Globus Agronics Limited	Village Shayampur Tehsil Behror Distt. Alwar Rajasthan Registration: Registered at 22, Bahi No. 1 Jild No. 190 on page no. 51 and Jild No. 192 on pages 38-41 on 12.1.1995 in the office of Sub-Registrar, Behror Distt. Alwar.	Total property of area 40 Aiyer in Khasra no. 215	Khasra No. 215
17.	M/s Globus Agronics Limited Date of Agreement: 12.1.1995 vide Deed of Sale Consideration (Rs. 1,60,000)	Freehold Land Vendor: Mr. Jeeta Ram Vendee: M/s Globus Agronics Limited	Village Shayampur Tehsil Behror Distt. Alwar Rajasthan Registration: Registered at 19, Bahi No. 1 Jild No. 190 on page no. 48 and Jild No. 192 on pages 26-29 on 12.1.1995 in the office of Sub-Registrar, Behror Distt. Alwar.	¼ of Total property of area 160 Aiyer amounting to 40 Aiyer in Khasra no. 215	Khasra No. 215
18.	M/s Globus Agronics Limited	Freehold Land	Village Shayampur Tehsil Behror Distt. Alwar	¼ of Total property of area 160 Aiyer amounting to 40	Khasra No. 215

	<p>Date of Agreement: 12.1.1995 vide Deed of Sale</p> <p>Consideration (Rs. 1,60,000)</p>	<p>Vendor: Mr. Jeeta Ram</p> <p>Vendee: M/s Globus Agronic Limited</p>	<p>Rajasthan</p> <p>Registration: Registered at 20, Bahi No. 1 Jild No. 190 on page no. 49 and Jild No. 192 on pages 30-33 on 12.1.1995 in the office of Sub-Registrar, Behror Distt. Alwar.</p>	<p>Aiyer in Khasra no. 215</p>	
19.	<p>M/s Globus Agronics Limited</p> <p>Date of Agreement: 12.1.1995 vide Deed of Sale</p> <p>Consideration (Rs. 1,06,000)</p>	<p>Freehold Land</p> <p>Vendor: Mr. Bharya</p> <p>Vendee: M/s Globus Agronics Limited</p>	<p>Village Shayampur Tehsil Behror Distt. Alwar Rajasthan</p> <p>Registration: Registered at 15, Bahi No. 1 Jild No. 190 on page no. 44 and Jild No. 192 on pages 13-15 on 12.1.1995 in the office of Sub-Registrar, Behror Distt. Alwar.</p>	<p>½ of Total property of area 53 Ayer amounting to 26.5 Ayer in Khasra no. 207</p>	Khasra No. 207
20.	<p>M/s Globus Agronics Limited</p> <p>Date of Agreement: 12.1.1995 vide Deed of Sale</p> <p>Consideration (Rs. 1,06,000)</p>	<p>Freehold Land</p> <p>Vendor: Mr. Bharya</p> <p>Vendee: M/s Globus Agronics Limited</p>	<p>Village Shayampur Tehsil Behror Distt. Alwar Rajasthan</p> <p>Registration: Registered at 16, Bahi No. 1 Jild No. 190 on page no. 45 and Jild No. 192 on pages 16-18 on 12.1.1995 in the office of Sub-Registrar, Behror Distt. Alwar.</p>	<p>½ of Total property of area 53 Ayer amounting to 26.5 Ayer in Khasra no. 207</p>	Khasra No. 207
21.	<p>M/s Globus Agronics Limited</p> <p>Date of Agreement: 9.3.1995 vide Deed of Sale</p> <p>Consideration (Rs. 22,700)</p>	<p>Freehold Land</p> <p>Vendor: Mr. Shyam Sunder, Mr. Rattan Lal, Mr. Om Prakash</p> <p>Vendee: M/s Globus Agronics Limited</p>	<p>Village Shayampur Tehsil Behror Distt. Alwar Rajasthan</p> <p>Registration: Registered at 134, Bahi No. 1 Jild No. 190 on page no. 163 and Jild No. 193 on pages 207-210 on 9.3.1995 in the office of Sub-Registrar, Behror Distt. Alwar.</p>	<p>1/6 of Total property of area 17 Ayer amounting to 2.83 Ayer in Khasra no. 202 and 1/6 of Total property of area 17 Ayer amounting to 2.83 Ayer in Khasra No. 203</p>	Khasra No. 202 & 203
22.	<p>M/s Globus Agronics Limited</p> <p>Date of Agreement: 13.1.1995 vide deed of sale</p> <p>Consideration (Rs. 1,13,500)</p>	<p>Freehold land</p> <p>Vendor: Mr. Pushkar Dutt, Mr. Ramji Lal, Mr. Ramesh Chand, Mr. Surendra</p>	<p>Village Shayampur Tehsil Behror Distt. Alwar Rajasthan</p> <p>Registration: Registered at 34, Bahi No. 1, Jild No. 190 on page No. 63 and Jild No.</p>	<p>5/6 of Total property of area 17 Ayer amounting to 14.17 Ayer in Khasra no. 202 and 5/6 of Total property of area 17 Ayer amounting to 14.17 Ayer in Khasra No. 203</p>	Khasra No. 202 & 203

		Kumar. Vendee: M/s Globus Agronics Limited	192 on pages 79-82 on 13.1.1995 in the office of the Sub- Registrar, Behror Distt. Alwar Rajasthan.		
23.	M/s Globus Agronics Limited Date of Agreement: 17.1.2004 vide deed of sale Consideration (Rs. 5,82,000)	Freehold land Vendor: Sh. Balbeer Singh Vendee: M/s Globus Agronics Limited	Village Shayampur Tehsil Behror Distt. Alwar Rajasthan Registration: Registered at 1917, Bahi No. 1, Jild No. 263 on page No. 152 and Jild No. 300 on pages 8-14 on 17.1.2004 in the office of the Sub-Registrar, Behror Distt. Alwar Rajasthan.	Total property of area 97 Aiyer comprising 3 Aiyer in Khasra No. 1812, 37 Aiyer in Khasra No. 1813 and 57 Aiyer in Khasra No. 2074.	Khasra No. 1812, 1813, and 2074.
24.	M/s Globus Agronics Limited Date of Agreement: 17.1.2004 vide deed of sale Consideration (Rs. 6,90,000)	Freehold land Vendor: Sh. Rangrao Singh Vendee: M/s Globus Agronics Limited	Village Shayampur Tehsil Behror Distt. Alwar Rajasthan Registration: Registered at 1916, Bahi No. 1, Jild No. 263 on page No. 151 and Jild No. 300 on pages 1-7 on 17.1.2004 in the office of the Sub-Registrar, Behror Distt. Alwar Rajasthan	Total property of area 115 Aiyer comprising 33 Aiyer in Khasra No. 1814, 32 Aiyer in Khasra No. 1815, 31 Aiyer in Khasra No. 2072 and, 19 Aiyer in Khasra No. 2073.	Khasra No. 1814, 1815, 2072 & 2073.
25.	M/s Globus Agronics Limited Date of Agreement: 17.1.2004 vide deed of sale Consideration (Rs. 7,68,000)	Freehold land Vendor: Mrs. Santosh Rao Vendee: M/s Globus Agronics Limited	Village Shayampur Tehsil Behror Distt. Alwar Rajasthan Registration: Registered at 1915, Bahi No. 1, Jild No. 263 on page No. 150 and Jild No. 308 on pages 232-238 on 17.1.2004 in the office of the Sub-Registrar, Behror Distt. Alwar Rajasthan	Total property of area 128 Aiyer comprising 10 Aiyer in Khasra No. 1806, 31 Aiyer in Khasra No. 1807, 29 Aiyer in Khasra No. 1808, 25 Aiyer in Khasra No. 1810 and, 33 Aiyer in Khasra No. 1811.	Khasra No. 1806, 1807, 1808, 1810 & 1811.
26.	M/s Globus Agronics Limited Date of Agreement: 27.11.2004 vide deed of sale Consideration (Rs. 2,62,800)	Freehold land Vendor: Mr. Surendra Kumar Vendee: M/s Globus Agronics Limited	Village Shayampur Tehsil Behror Distt. Alwar Rajasthan Registration: Registered at 2004005267, Bahi No. 1, Jild No. 280 on page No. 102 and Jild No. 466 on pages 8-14 on 27.11.2004 in the	½ of Total property of area 73 Aiyer in Khasra No. 223 comprising 36.5 Aiyer.	Khasra No. 223

			office of the Sub-Registrar, Behror Distt. Alwar Rajasthan		
27.	M/s Globus Agronics Limited Date of Agreement: 27.11.2004 vide deed of sale Consideration (Rs. 5,34,000)	Freehold land Vendor: Mr. Shri Ram, Mr. Vinod Kumar, Mr. Mukesh Kumar, Mr. Manoj Kumar, Mrs.. Rewati Devi. Vendee: M/s Globus Agronics Limited	Village Shayampur Tehsil Behror Distt. Alwar Rajasthan Registration: Registered at 2004005265, Bahi No. 1, Jild No. 280 on page No. 100 and Jild No. 465 on pages 229-235 on 27.11.2004 in the office of the Sub- Registrar, Behror Distt. Alwar Rajasthan	1/6 of Total property of area 445 Aiyer (comprising 22 Aiyer in Khasra no. 183, 47 Aiyer in Khasra No. 184, 49 Aiyer in Khasra No. 219, 54 Aiyer in Khasra No. 220, 51 Aiyer in Khasra No. 221, 24 Aiyer in Khasra No. 222, 16 Aiyer in Khasra No. 227, 24 Aiyer in Khasra No. 228, 19 Aiyer in Khasra No. 229, 34 Aiyer in Khasra No. 231, 32 Aiyer in Khasra No. 232, 31 Aiyer in Khasra No. 233, 5 Aiyer in Khasra No. 234, 4 Aiyer in Khasra No. 235, 5 Aiyer in Khasra No. 236, 3 Aiyer in Khasra No. 237, and 25 Aiyer in Khasra No. 238.	Khasra No. 183, 184, 219, 220, 221, 222, 227, 228, 229, 231, 232, 233, 234, 235, 236, 237 and, 238.

ii. Samalkha unit

Sl. No.	Title/Ownership/ Consideration	Nature	Location/ Registration	Area	Khasra/ Khatauni\
1.	M/s Globus Agronics Limited Date of Agreement: 8.7.1993 vide Deed of Sale Consideration (Rs. 1,79,000/-)	Freehold land Vendor: Mrs. Chahi (Widow of Mr. Ram Kishan), Mr. Sube Singh, Mr. Lakhi Ram, Mr. Malkhan Ram Pal, Mr. Bishamber Vendee: M/s Globus Agronics Limited	Village Chaulkhana Tehsil Samalkha Distt. Panipat Haryana Registration: Registered at 635, Bahi No. 1, Jild No. 26, on page No. 188 and Jild No. 459 on pages 23-25 on 8.7.1993 in the office of the Sub- Registrar, Samalkha Distt. Panipat.	Total property of area 7 Kanal-124 Marla in Khebat no. 475/439, Khatoni no. 25/7 (7-12 Chahi)	Khebat no. 475/439, Khatoni no. 25/7 (7-12 Chahi)
2.	M/s Globus Agronics Limited Date of Agreement: 17.10.1993 vide deed of sale Consideration (Rs. 11,87,875/-)	Freehold land Vendor: Mr. Laxman, Ms. Pato, Mr. Chandra Bhan, Mr. Dharma Vendee: M/s Globus	Village Chaulkhana Tehsil Samalkha Distt. Panipat Haryana Registration: Registered at 670, Bahi No. 1, Jild no. 26 on page no. 197 and Bahi no. 1 Jild no. 460 on pages 20-22 on	Total property of area 44 K in Khebat No. 501 min- (463) Khataoni no. 933, Killa No. 6- (13/2-14-17-18-22/23 & 2-16,6-13,8-0,7-2,3-2,8-0) 25 (2/1-3/1,3/2 & 1-10, 2-13, 4-6, Kita 9.	Khebat No. 501 min- (463) Khataoni no. 933

		Agronics Limited	17.7.1993 in the office of the Sub-Registrar , Samalkha Distt. Panipat.		
3.	M/s Globus Agronics Limited Date of Agreement: 31.3.1993 vide deed of sale Consideration (Rs. 6,34,250/-)	Freehold land Vendor: Mrs. Chameli, Mr. Ramesh, Mr. Tejpal, Mr. Naresh, Mr. Rajkumar Vendee: M/s Globus Agronics Limited	Village Chaulkhana, Tehsil Samalkha Distt. Panipat Haryana Registration: Registered at 1613, Bahi no. 1, Jild no. 26 on page no. 25 and Jild no. 441 on pages 11-13 on 31.3.1993 in the office of the Sub-Registrar Samalkha, Distt. Panipat.	Total property of area 23K in Khebat no. 421, min 394, min Khataoni No. 703, Min Rectangle no. 6 Killa No. 24 (8-0) Nehri, Rectangle no. 25 killa no. 4 (7-12) & 5(8-0) Chahi Kite 3 area measuring 23 kanal – 12 marla & 1/48 share in land falling under Khebat No. 581/541, Khataoni No. 1084, rectangle no. 25 killa no. 27 (0-7) having cumulative total of 23 kanal 12 marla.	Khebat no. 421, min 394, min Khataoni No. 703
4.	M/s Globus Agronics Limited Date of Agreement: 26.3.1993 vide deed of sale Consideration (Rs. 15,37,250/-)	Freehold land Vendor: Mr. Sahit Ram, Mrs. Sarti, Mr. Ramphal Vendee: M/s Globus Agronics Limited	Village Chaulkhana Tehsil Samalkha Distt. Panipat Haryana Registration: Registered at 1597, Bahi no. 1, Jild no. 26 on page no. 21 and Jild no 440 on pages 78-80 on 26.3.1993 in the office of the Sub- Registrar, Samalkha Distt. Panipat.	Total property of area 57K- 4M in Khebat no. 420 min/393, Khatoini no. 778, Killa No. 5/21 (7-11) 6/15-16, (2-7, 7-3), 25/6-15 (8-0, 7-12), 26/1 (7-18) and Khataoni No. 779, Killa No. 26/10/2 (1-19), 5/20-22 (2-7, 5-2) and Khataoni No. 781, Killa No. 6/25 (7-4), Kita 10, Rakhaba 57K, 3M snf Khebat No. 581/591/1084 Killa No. 25/27 Khatauni No. 781.	Khebat no. 420 min/393, Khatoini no. 778, Khataoni No. 779, and Khataoni No. 781. 57K, 3M snf Khebat No. 581/591/1084 Killa No. 25/27 Khatauni No. 781.

B. Properties on Lease

Sl. No.	Details of the Properties	
1.	Date & Tenure	Sub-Lease dated 31.01.2009 Tenure: 11 months beginning from 01.02.2009 Unregistered Lease Deed
	Details of Property Leased	1 st Floor including two servant quarters, a garage, entire driveway for parking, a front garden and a back courtyard at C-631, New Friends Colony, New Delhi- 110065 Lease Rental: Rs. 10,000/- per month (This is exclusive of electricity and water charges)

	Parties	<p>Sub-Lessor Associated Distilleries Limited C-631, New Friends Colony, New Delhi- 110065</p> <p>Sub-Lessee Globus Spirits Limited</p>
2.	Date & Tenure	<p>Lease dated 1.2.2007 Tenure: 3 years beginning from 1.2.2007</p> <p>Unregistered Lease Deed</p>
	Details of Property Leased	<p>Ground Floor of property: Factory No. D-26, Sector -3 Noida- 201301 Uttar Pradesh</p> <p>Lease Rental: Monthly rent of Rs. 1,36,000/- for a period of three years commencing from 1st February, 2007. The Lessee has agreed to an increment in rent by 15% after 36 months, as mutually agreed between the parties.</p>
	Parties	<p>Lessor: M/s Rambagh Estates Private Limited C-631 New Friends Colony East New Delhi-110065</p> <p>Lessee: M/s Globus Spirits Limited C-631 New Friends Colony East New Delhi-110065</p>

C. Property on Rent

Sl. No.	Details of the Properties	
1.	Date & Tenure	<p>Rent Agreement dated 15.07.2009 Tenure: 11 months beginning From 01.04.2009</p> <p>Unregistered Rent Agreement</p>
	Details of Property Rented	<p>Ground & First Floor without roof rights of built up property on Plot No.54/57 & 103 admeasuring 600 Sq. Yards approximately out of Khasra No. 54 situated in the revenue estate of Village Nangli Poona, Delhi.</p> <p>Rent: Rs. 99,000/- per month. Rent shall be payable in advance on or before the 7th day of each English Calendar month.</p>
	Parties	<p>Landlord: Mr. Balraj Singh , Mrs. Neelam Singh VPO: Nangli Poona</p> <p>Tenant: Globus Spirits Limited C-631 New Friends Colony New Delhi - 110065</p>

The above land is registered in the name of the Company. No approval is required to be taken by the Company pertaining to the said Land.

PURCHASE OF PROPERTY

No property is proposed to be purchased out of the proceeds of this Issue.

INTELLECTUAL PROPERTY

Existing trademark registration:

The Company has registration of Trademark 'RAJPUTANA' in Class 33 issued vide Trademark No. 860654 dated June 11, 1999 in respect of Whisky, Brandy, Rum, Gin, and alcoholic beverages. The Registration Certificate was received on October 19, 2005.

The Company has applied for following trademark registrations. Summary Details of the Trade Mark Application are as follows:

Application No.	01565326
Filed on	June 5, 2007
Mark	"GLOBUS SPIRITS" with logo
Class	33 (Thirty Three)
Applicant	Globus Spirits Limited
Period of User	Since July 1, 2006
Status	Reply to Examination Report submitted

Application No.	01565314
Filed on	June 5, 2007
Mark	"20-20 PREMIUM WHISKY"
Class	33 (Thirty Three)
Applicant	Globus Spirits Limited
Period of User	Since December 14, 2006
Status	Reply to Examination Report submitted

Application No.	01565315
Filed on	June 5, 2007
Mark	"BLACK LACE"
Class	33 (Thirty Three)
Applicant	Globus Spirits Limited
Period of User	Since October 20, 2000
Status	Application for Registration submitted

Application No.	01565316
Filed on	June 5, 2007
Mark	"LE MANS"
Class	33 (Thirty Three)
Applicant	Globus Spirits Limited
Period of User	Since February 16, 2007
Status	Reply to Examination Report submitted

Application No.	01565317
Filed on	June 5, 2007
Mark	"WHITE LACE"
Class	33 (Thirty Three)
Applicant	Globus Spirits Limited
Period of User	Since October 20, 2000
Status	Application for Registration submitted

Application No.	01565318
Filed on	June 5, 2007
Mark	"URBAN TRIBE"

Class	33 (Thirty Three)
Applicant	Globus Spirits Limited
Period of User	Since May 10, 2006
Status	Reply to Examination Report submitted

Application No.	01565319
Filed on	June 5, 2007
Mark	"NOBLE HOUSE"
Class	33 (Thirty Three)
Applicant	Globus Spirits Limited
Period of User	Since May10, 2006
Status	Reply to Examination Report submitted

Application No.	01565320
Filed on	June 5, 2007
Mark	"MOUNTAIN OAK"
Class	33 (Thirty Three)
Applicant	Globus Spirits Limited
Period of User	Since February 16, 2007
Status	Reply to Examination Report submitted

Application No.	01565321
Filed on	June 5, 2007
Mark	"SAMURAI"
Class	33 (Thirty Three)
Applicant	Globus Spirits Limited
Period of User	Since May 10, 2006
Status	Reply to Examination Report submitted

Application No.	01565322
Filed on	June 5, 2007
Mark	"SINGLE GRAIN"
Class	33 (Thirty Three)
Applicant	Globus Spirits Limited
Period of User	Since May 10, 2006
Status	Reply to Examination Report submitted

Application No.	01565323
Filed on	June 5, 2007
Mark	"VAPOUR"
Class	33 (Thirty Three)
Applicant	Globus Spirits Limited
Period of User	Since May 10, 2006
Status	Reply to Examination Report submitted

Application No.	01565324
Filed on	June 5, 2007
Mark	"HANNIBAL"
Class	33 (Thirty Three)
Applicant	Globus Spirits Limited
Period of User	Since May 10, 2006
Status	Reply to Examination Report submitted

Application No.	01565325
Filed on	June 5, 2007
Mark	"GREAT TIMES"
Class	33 (Thirty Three)
Applicant	Globus Spirits Limited
Period of User	Since May 10, 2006
Status	Reply to Examination Report submitted

Application No.	01598193
Filed on	September 6, 2007
Mark	"Mc MANN'S GOLD"
Class	33 (Thirty Three)
Applicant	Globus Spirits Limited
Period of User	Since August 30, 2007
Status	Application for Registration submitted

Application No.	01604318
Filed on	September 21, 2007
Mark	"JOHN Mc CLANE"
Class	33 (Thirty Three)
Applicant	Globus Spirits Limited
Period of User	Since August 29, 2007
Status	Reply to Examination Report submitted

Application No.	01681507
Filed on	April 29, 2008
Mark	"GR8 TIMES"
Class	33 (Thirty Three)
Applicant	Globus Spirits Limited
Period of User	Since May 10, 2006
Status	Application for Registration submitted

Application No.	01728528
Filed on	September 4, 2008
Mark	"GLOBUS VSOP BRANDY"
Class	33 (Thirty Three)
Applicant	Globus Spirits Limited
Period of User	Since March 1, 2008
Status	Application for Registration submitted

Application No.	01755977
Filed on	November 20, 2008
Mark	"GLOBUS"
Class	33 (Thirty Three)
Applicant	Globus Spirits Limited
Period of User	Since February 16, 1993
Status	Application for Registration submitted

Application No.	01755976
Filed on	November 20, 2008
Mark	"20-20"
Class	33 (Thirty Three)
Applicant	Globus Spirits Limited
Period of User	Since December 14, 2006
Status	Application for Registration submitted

Application No.	1831633
Filed on	June 23, 2009
Mark	"ACADEMY"
Class	33 (Thirty Three)
Applicant	Globus Spirits Limited
Period of User	Since October 16, 2001
Status	Application for Registration submitted

The Company has registered the following Trademarks at Lebanon at the Ministry of Economy & Commerce, Directorate General Economy & Commerce, Department of Intellectual Property Protection, Lebanon:

Sr. No	Mark	Registration Number	Class	Goods Covered	Renewal Due Date
1	John Mc Lane	114532	33	Whisky, Rum, Brandy, Gin, Vodka, wine & other alcoholic beverages included in class 33	January 22, 2023
2	White Lace	114533	33	Whisky, Rum, Brandy, Gin, Vodka, wine & other alcoholic beverages included in class 33	January 22, 2023
3	Samurai (Logo)	114534	33	Whisky, Rum, Brandy, Gin, Vodka, wine & other alcoholic beverages included in class 33	January 22, 2023
4	Hannibal	114535	33	Whisky, Rum, Brandy, Gin, Vodka, wine & other alcoholic beverages included in class 33	January 22, 2023
5	Globus Spirits Logo	114556	33	Whisky, Rum, Brandy, Gin, Vodka, wine & other alcoholic beverages included in class 33	January 22, 2023
6	20-20	117531	33	Whisky, Rum, Brandy, Gin, Vodka, wine & other alcoholic beverages included in class 33	July, 22, 2023

There are no trademarks, other than mentioned above, and services marks, which have been applied for or registered or used by the Company. No patents or utility models have been applied for or granted to or used by the Company. There are no employee inventions or any compulsory licenses, which may be or have been granted in respect thereof. There are no material inventions used by the Company in respect of which patents have not yet been applied for or granted. There are no registered designs applied for or used by the Company. Due to the peculiar business of the Company (i.e., producing alcohol products), there are no internal documents setting out the policies and procedures followed by the Company in relation to intellectual property rights. There are no actual or threatened litigation or opposition proceedings relating to any intellectual property rights used by the Company.

INDUSTRY REGULATIONS

The movement of IMFL products is regulated across states. The entire process of manufacturing to distribution and sales attracts taxes a plenty.

In India, alcohol is a state subject meaning that all tax and regulatory issues in the industry are controlled and regulated by the individual state governments and not by the central government. Alcoholic beverages are among the most highly taxed and highly regulated industries in India. The liquor industry is suffering from over taxation and over regulation, which has impeded the profitability even in the face of continuing growth in demand for liquor products. State governments have in the past capitalized on the price-inelastic characteristic of liquor consumption by imposing new and higher taxes on manufacture and sale of liquor in their respective jurisdictions. The net result is a complex and restrictive duty structure that varies from one state to another. State governments have typically levied a varieties of taxes on alcohol products including excise duty, sales tax, license fee, state-level import and export duty, bottling fee, welfare levy, assessment fee, franchise fee, turnover tax, surcharge etc.

Regulatory changes have imposed a further burden in the industry by an amendment of section 206 C of the Income tax Act. The Government of India imposed a mandatory Income Tax of 1% to be collected at source on sales. This has had an impact of increasing the price of liquor products at the hands of the consumer.

The Indian potable alcohol market has high entry barriers, largely due to government regulations. The policies and levies on alcohol vary from State to State. In most of the States, the distribution of alcohol is regulated by the concerned State Government.

Distribution of IMFL is also regulated in some states either through auctions or through government procurement agencies. These regulations create monopolistic environment, stifle entrepreneurship spirit and hamper growth.

The industry is also constrained to cope with a ban on advertising of products. Advertising, the most effective tool for building brands and communication about products, has been denied to the liquor industry.

In earlier years the policy of the Indian government was to discourage the consumption of alcoholic beverages. This even went so far as to involve total prohibition in some states. However, the resulting problems of illicit distillation, the leakage of government excise revenue and the problems involved in enforcement, led to a review of this policy. The importation of potable alcohol is subject to government licensing. (Source: Ministry of Food Processing Industries; <http://mofpi.nic.in/industryspecificinformation/beer/beer.htm>)

Within India itself, the policy of alcohol retail differs from state to state. While some states like Maharashtra, Uttar Pradesh, and Tamil Nadu have a liberal policy, some states like Haryana and Andhra Pradesh have had very bitter experiences in trying to make these states dry and have eventually had to withdraw the policy. (Source: Ministry of Food Processing Industries; http://www.ccsindia.org/ccsindia/RP01_6.html)

The policy for distillation of alcohol has been announced vide Press Note 4 (2006) according to which FDI upto 100% is permitted on the automatic route for distillation & brewing of alcohol subject to licensing by the appropriate authority.

No industrial license is required for almost all of the food & agro processing industries except for some items like: beer, potable alcohol & wines, cane sugar, hydrogenated animal fats & oils etc. and items reserved for exclusive manufacture in the small scale sector. Items reserved for S.S.I. include pickles & chutneys, bread, confectionery (excluding chocolate, toffees and chewing-gum etc.), rapeseed, mustard, sesame & groundnut oils (except solvent extracted), ground and processed spices other than spice oil and olioresins, sweetened cashew nut products, tapioca sago and tapioca flour. Uses of foreign brand names are now freely permitted. MRTP (Monopolies & Restrictive Trade Practices Act) rules and FERA (Foreign Exchange Regulation Act) regulations have been relaxed to encourage investment and expansion by large corporates.

FISCAL POLICY & TAXATION:

Corporate taxes have been reduced and there is a shift towards market related interest rates. There are tax incentives for new manufacturing units for certain years, except for industries like: beer, wine, aerated water using flavouring concentrates, confectionery & chocolates etc. (Source: Ministry of Food Processing Industries, Government of India)

BRIEF HISTORY AND OTHER CORPORATE MATTERS OF THE COMPANY:**Incorporation and Initial Progress:**

The Company was incorporated on February 16, 1993 under the name Globus Agronics Limited with the Registrar of Companies, Delhi & Haryana, as a limited liability company. The Company obtained its Certificate for Commencement of Business on March 19, 1993. Subsequently, the name of the Company was changed to Globus Spirits Limited on January 23, 2007 by way of a fresh Certificate of Incorporation from the Registrar of Companies, Delhi & Haryana. The Registered Office of the Company is at C-631, New Friends Colony, New Delhi – 110065.

Major events in the history of the Company is as follows:

YEAR	MAJOR EVENTS & MILESTONES
1994-95	<ul style="list-style-type: none"> First Distillery set up; commenced production of Ethyl Alcohol in April 1994 at Samalkha Unit, Haryana. Unit was set up with an installed capacity of 144 lakh BL per annum. Purchase of land at Village Shyampur, Tehsil Behror, District Alwar, Rajasthan for setting up a Distillery unit for manufacturing 40,000 Bulk Litres of Rectified Spirit and 20,000 Bulk Litres of Extra Neutral Alcohol per day. The company acquired 18 acres of land in village Shyampur in Behror, Rajasthan.
1995-96	<ul style="list-style-type: none"> Sets up second Distillery unit at Behror, Rajasthan; Unit commissioned. Authorised Share Capital increased from Rs. 5 crores to Rs. 10 crores. Bonus issue to existing shareholders in the ratio of 12 equity shares for every 10 equity shares held. Enters into agreement with International Distilleries (India) Ltd. – a subsidiary of International Distillers and Ventures, UK, to bottle IMFL products under the brand name of 'IDI'.
1996-97	<ul style="list-style-type: none"> During the year Behror Unit also started production. The sale was Rs. 5092.12 lakhs with a profit after tax of Rs. 278.42 lakhs. The Company has also exported alcohol to the tune of Rs. 4221.54 lakhs during the year.
1998-99	<ul style="list-style-type: none"> Takes up work at Samalkha unit for conversion of molasses supplied by Panipat Co-operative Sugar Mills. The company has started production of IMFL at its Behror unit under the brand name of Rajputana.
1999-2000	<ul style="list-style-type: none"> Commenced bottling of IMFL at Behror Unit in August, 1999; and Country Liquor at Samalkha Unit in December, 1999.
2000-01	<ul style="list-style-type: none"> Haryana State Pollution Control Board on 29.8.2000 orders closure of distillery unit at Samalkha for alleged non-compliance of pollution requirements.
2001-02	<ul style="list-style-type: none"> Haryana Pollution Control Board orders start of Bottling of Country Liquor at Samalkha unit on 17.8.2001. Bottling at Samalkha Unit starts w.e.f 23.3.2002 after clearance by Hon'ble High Court of Punjab & Haryana on issues raised by State Excise Department.
2003-04	<ul style="list-style-type: none"> Enters into agreement on 26.7.2002 with Hi-Life Impex Pvt Ltd (Hi-Life) for use of Trademarks in respect of Ready to Drink Beverages (RTDB) and manufactures the same under technical know-how from Hi-Life. Commercial production of RTDB starts from 27.9.2003.
2004-05	<ul style="list-style-type: none"> Sets up Effluent Treatment and Environment friendly Bio-Composite Plant and entire plant and machinery repaired in order to start the Distillation plant at Samalkha Unit.
2005-06	<ul style="list-style-type: none"> Distillation Plant commences operation at Samalkha Unit in April, 2005.
2006-07	<ul style="list-style-type: none"> Authorised Share Capital increased from Rs. 10 crores to Rs. 15 crores. Name of the Company changed from Globus Agronics Limited to Globus Spirits Limited with effect from 23.1.2007.
2007 - 08	<ul style="list-style-type: none"> Authorised Share Capital increased from Rs. 15 crores to Rs. 25 crores.

Main Objects of the Company

The main objects of the company as set forth in the Memorandum of Association of the Company are as follows.

1. To carry on business as manufacturers, fermentators, distillers, refiners, makers, Importers, exporters, buyers, sellers, suppliers, stockists, agents, merchants, and distributors of, and dealers in, acids and alkalies, Inorganic and organic compounds, solvents, gases, chemicals, petro chemicals, fertilizers, fuel and Industrial gases and all in organic and organic chemicals and compounds of any kind, character and property and which may be produced, manufactured or formulated by any of the chemical processes, reactions, or unit operations such as alkylation, amination by reduction, ammonolysis, aromatization, calcinations, carboxylation, causticization, combustion, condensation, concentration, dehydration, diazolization, double decomposition, distillation, hydroformylation, and synthesis of hydro carbons, hydrogenation, hydration and hydrolysis, isomerization, neutralization, nitration, oxidation, polymerization, pyrolysis or cracking education, silicate formation, sulfonation, saponification, alkali fusion or by any other chemical conversion, physical operation or manipulation of either any raw material from mines, forest, sea, air, farm, oil brine, gas wells and by-products and residual substances from any chemical process and conversion into any marketable products, consumer goods entered directly into the economic life or as intermediates or chemicals for the manufacture of consumer items or as raw materials for further fabrication in other industries.
2. To carry on the business of brewers and malsters, hopmerchants, malt factors corn merchants, wine and spirit merchants and importers, and distillers, manufacture of and dealers in sugarcane molasses of all kinds and fermentable materials of all kinds, yeast, linings, islanglass and other drawers, manufacturers, of and dealers in all kinds of aerated, mineral and medicated water and alcoholic and non-alcoholic drinks, beverages, cordials and bottlers, bottle makers, canners, packers and providers of all kind of goods and products.

The Object Clauses of the Memorandum of Association enables the Company to undertake activities for which the funds are being raised in this issue and also the activities, which the Company has been carrying on till date.

Changes in the Memorandum of Association:

Since incorporation, the following changes have taken place in the Company's Memorandum of Association:

Date of Amendment	Amendment
31.03.1993	Adoption of following Clause B(1) of 'Objects incidental or Ancillary to attainment of Main Objects' as Clause A(2) of Main Objects: To acquire and undertake the whole or any part of the business, goodwill and assets of any person, firm or Company carrying on or proposing to carry on which this company is authorised to carry on and as part of the consideration for such acquisition, to undertake all or any of the liabilities of such person, firm or company or to acquire an interest in, amalgamate with or enter into any arrangements for sharing profits or for co-operation or for mutual assistance with any such person, firm or company and to give or accept by way of consideration for any of the acts or things aforesaid or property acquired by any shares, debentures, debenture stock or securities, that may be agreed upon and to hold, and to retain or sell or mortgage any shares, debenture-stock or securities so received.

22.08.1995	<ul style="list-style-type: none"> • Change in Authorised Capital i.e., Increase in Authorised Capital of the Company from Rs. 5 crores to Rs.10 crores. • Change in the Object Clause resulting in addition of Other Objects by insertion of Sub-Clauses 71 77 after Sub-Clause 70 of Clause III © of Memorandum of Association.
29.12.2006	Change in name of the Company i.e., from Globus Agronics Limited to Globus Spirits Limited.
29.12.2006	Change in Authorised Capital i.e., Increase in Authorised Capital of the Company from Rs. 10 crores to Rs. 15 crores.
02.06.2007	Change in Authorised Capital i.e., Increase in Authorised Capital of the Company from Rs. 15 crores to Rs. 25 crores.

The details of the Capital raised are given in the section titled "Capital Structure" on page no. 22 of the Red Herring Prospectus.

Subsidiaries of the Issuers Company

The Company has no subsidiary as on date.

Shareholders agreements

At present, there are no shareholding agreements between the Company and any other person except for the agreement entered into between the Company, Mr. Deepak Roy (a Non Executive Director) and Mr. Ajay Kumar Swarup (Managing Director) on April 13, 2007.

The salient features of the agreement are as under:

1. The Company shall issue and allot 3,84,400 Equity Shares of Rs. 10/- each at a price of Rs. 80/- per Share, against full cash payment, on or before 20.4.2007 (hereinafter referred to as Option Expiry Date).
2. The Equity Shares of the Company acquired by Mr. Deepak Roy shall not be sold by him on the stock exchange, upon the shares being listed pursuant to an impending IPO, up to 1st January, 2009.

In the event Mr. Deepak Roy wants to sell his shareholding in the Company prior to January 1, 2009, Mr. Roy shall be obliged to sell the same to Mr. Ajay Kumar Swarup, or any other person nominated by him, and Mr. Swarup has offered Mr. Roy a value appreciation of 20% per annum, or part thereof, per share.

Earlier, in the Extra-ordinary General Meeting held on 12.2.2007, the Board of Directors were authorized to make the preferential allotment of 3,84,400 Shares to Mr. Deepak Roy.

The Board of Directors of the Company issued a letter of offer dated 20.2.2007 to Mr. Deepak Roy which was accepted by Mr. Roy and he exercised his option for 1,50,000 shares at a price of Rs. 80/- per share. Mr. Deepak Roy has, subsequent to the above allotment, been a recipient of 75,000 Bonus Shares issued by the Company to its shareholders in June, 2007.

However in terms of Clause 4.14.1 of the SEBI DIP Guidelines the entire pre-issue share capital shall be locked in for a period of one year from the date of allotment in this issue. Further, in terms of Clause 4.16.1(a) of the SEBI Guidelines, locked – in Equity Shares held by shareholders other than the Promoter may be transferred to any other person holding shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

Strategic Partners

The Company, as on date, has no strategic partners.

Financial Partners

The Company, as on date, has no financial partners.

MANAGEMENT AND ORGANISATION

As per the Article 111.1 of the Articles of Association, until otherwise determined by a General Meeting of the Company and subject to the provisions of section 252 of the Companies Act, 1956, the number of Directors shall not be less than three nor more than fifteen. The Company has eight (8) Directors as on date, out of which four (4) are Whole Time Directors including one Managing Director. The Chairman is a non-Executive Director. There are three independent Directors on the Board. The following table sets forth information regarding the Board of Directors:

BOARD OF DIRECTORS

The following table sets forth the details regarding the Board of Directors

Sl. No.	Name Designation, Qualification, Father's Name, Address, Occupation, Date of Birth (DOB), Age and Term	Date of Appointment	Other Directorships/Partnerships
1.	Mr. Gautam Premnath Khandelwal Non-Executive Chairman & Independent Director S/o Mr. Premnath Ramprasad Khandelwal B.A (Economics) B-2, Alaknanda 16-A, Napean Sea Road Malabar Hill Mumbai – 400 006 DOB: 4.1.1962 47 Years Industrialist DIN: 00270717 Term: Retire by Rotation	16.2.1993 <i>(Appointed as Chairman w.e.f 17.4.2007)</i>	Directorships: 1. Nagpur Power & Industries Ltd, <i>Chairman.</i> 2. Informed Technologies India Ltd., <i>Chairman.</i> 3. Khandelwals Ltd, U.K. 4. Khandelwal Remedies Pvt Ltd. 5. Zeppelin Investments Pvt Ltd. 6. Megnachem Pharmaceuticals Pvt. Ltd. 7. The Motwane Mfg. Co. Pvt. Ltd 8. Krohm Solutions Pvt. Ltd. 9. Punjab National Bank 10. M/s. MW.Com (India) Pvt. Ltd.
2.	Mr. Ajay Kumar Swarup Managing Director S/o Mr. Madhav Kumar Swarup B.A.(Honours), PGDBM (IIM,Kolkata) 51A, Friends Colony (East) New Delhi – 110 065 DOB: 5.2.1959 50 Years Industrialist DIN: 00035194 Term: 5 years (1.12.2006 to 30.11.2011)	1.12.2006 <i>(Appointed as Managing Director w.e.f 1.12.2006)</i>	Directorships: 1. Biotech India Ltd. 3. Chand Bagh Investments Ltd. 4. Astral Capitals Private Ltd.
3.	Mr. Manik Lal Dutta Executive Director s/o Late Mr. Jugal Kishore Dutta M. Tech, PGDBM M-179, Greater Kailash - II New Delhi – 110 048 DOB: 9.2.1946 63 Years Service	1.8.2006 <i>(Appointed as Executive Director. Re appointed as Executive Director w.e.f</i>	-

	DIN: 00769308 Term: 3 years (1.8.2006 to 31.7.2009)	01.08.2009)	
4.	Mr. Rajesh Kumar Malik Whole-Time Director S/o Mr. Ram Pal Singh Malik B. Sc., Diploma in Business Management H. No. 456, Sector-5 Gurgaon Haryana – 122 001 DOB: 1.7.1956 53 years Service DIN: 00504061 Term: Retire by Rotation	1.12.2006 <i>(Appointed as Whole Time Director w.e.f 1.12.2006)</i>	-
5.	Mr. Rameshwar Dayal Aggarwal Whole-Time Director S/o Late Mr. Devi Charan Aggarwal M.Sc (Organic Chemistry), Alcohol Technology from National Sugar Institute, Kanpur C/o Hari Singh Rohal (Advocate) Opposite Sector 25 Near Laxmi Garden Malik Enclave Panipat Haryana DOB: 15.1.1955 54 years Service DIN: 01917666 Term: Retire by Rotation	1.12.2006 <i>(Appointed as Whole Time Director w.e.f 1.12.2006)</i>	-
6.	Mr. Deepak Roy Non-Executive Director s/o Mr. Shashi Bhushan Roy B.A. Hons. (Economics), Diploma in Management Science 11, Rambha 66, Napean Sea Road Mumbai – 400 006 Maharashtra DOB: 25.12.1951 57 years Professional DIN: 00178236 Term: Retire by Rotation	20.2.2007 <i>(As Additional Director; Confirmed at AGM on 29.9.2007)</i>	Directorships: 1.Vallee de Vin Private Ltd. 2.Allied Blenders & Distillers Pvt. Ltd.
7.	Mr. Joginder Singh Dhamija	20.2.2007	-

	Non-Executive & Independent Director S/o Mr. Bhai Mahla Ram B. A., LLB, PCS (Retd) A-28/5, DLF Qutab Enclave, Phase-I Gurgaon Haryana – 122 002 DOB: 1.3.1934 75 Years Professional DIN: 01409464 Retire by Rotation	(As Additional Director; Confirmed at AGM on 29.9.2007)	
8.	Mr. Santosh Kumar Bishwal Non-Executive & Independent Director S/o Mr. Baidhar Bishwal B.Sc (Eng) Mech, M Tech (IIT) (Industrial Engg & Operations Research) B/206, BDA Duplex Colony Baramunda Bhubaneswar – 751 003 Orissa. DOB: 18.5.1947 62 Years Consulting & Academic Professional DIN: 01098021 Retire by Rotation	20.2.2007 (As Additional Director; Confirmed at AGM on 29.9.2007)	-

The brief profile of the Directors of the Company is given below:

Mr. Gautam Premnath Khandelwal, Non-Executive Chairman

Mr. Gautam Premnath Khandelwal, aged 47 years is the Non-Executive Chairman of the Company. He completed his High School from The Doon School and B.A. (Economics) from Elphinstone College, Mumbai. Mr. Khandelwal started his career as a Management Trainee with Khandelwal Group in 1984, and later became Chief Executive of Khandelwal Laboratories Pvt. Ltd. He was Director of Stellar Chemical Laboratories Pvt Ltd., and moved on to become the Vice Chairman & Managing Director of KFA Group in 1993, where he successfully turned around the Company. He is the Chairman of Nagpur Power & Industries Limited. He was a Director of Khandelwal Otsuka Pharmaceuticals Limited. He is the Chairman of Informed Technologies India Limited since 1999. Mr. Khandelwal has over 23 years of vast experience in senior managerial positions and he is on the Board of many companies such as Nagpur Power & Industries Ltd., Informed Technologies India Ltd., Khandelwals Ltd. U.K., Khandelwal Remedies Pvt. Ltd., Zeppelin Investments Pvt. Ltd., Megnachem Pharmaceuticals Pvt. Ltd., The Motwane Mfg. Co. Pvt. Ltd., Krohm Solutions Pvt. Ltd., Punjab National Bank and M/s. MW.Com (India) Pvt. Ltd. Mr. Khandelwal was appointed as Chairman of the Board of the Company on April 17, 2007.

Mr. Ajay Kumar Swarup, Managing Director

Mr. Ajay Kumar Swarup, aged 50 years, is the Promoter and Managing Director of the Company. After completing his schooling from Doon School, he completed B.A. (Honours) in Economics from St. Stephens College, Delhi University and PGDBM from the Indian Institute of Management, Kolkata. Mr. Ajay Swarup has been associated with the Company since inception and has over 24 years of experience in the alcohol and distillery industry. He started his career with SVP Industries Ltd., an alcohol and distillery company; co-promoted Associated Distilleries

Limited in 1983 and later promoted Globus Spirits Ltd. in 1993. He was the President of All India Distillers Association between March 1992 and July 1995. Mr. Swarup manages the day-to-day affairs of the Company and is responsible for business policies, strategic decisions, business development etc. As a strategic planner with a hands-on approach, he has been instrumental in the growth of the Company to this level. Mr. Swarup was appointed as Managing Director of the Company w.e.f 1.12.2006.

Mr. Manik Lal Dutta, *Executive Director*

Mr. Manik Lal Dutta, aged 63, is Executive Director of the Company. He is a M. Tech from Calcutta University and a Post Graduate Diploma in Business Management from Calcutta Institute of Management. He joined the Company in August, 2006, and has over 36 years of experience in the alcohol industry in the areas of project execution, commissioning, plant optimization, plant operation, development of IMFL blends and brands, maintenance and production planning and, quality control at various stages of liquor manufacture. Mr. Dutta started his career as Management Trainee in 1970 with Carew & Co., owned by UB Group. He later joined Rampur Distillery as Distiller-cum-Blender and rejoined UB Group in 1982 by taking charge of Srirampur Distillery. He later moved to MCD Rosa and again joined UB Group at its Udaipur Distillery as Director-in-charge in 1990. From 1998 onwards, Mr. Dutta was Divisional Vice President (Manufacturing-North) of UB Group with complete responsibility for production and management of distilleries in North India and Nepal. At Globus Spirits, Mr. Dutta is the overall in-charge and responsible for production, planning, IMFL blends, brand development etc.

Mr. Rajesh Kumar Malik, *Whole-Time Director*

Mr. Rajesh Kumar Malik, aged 53 years, is the Whole-Time Director of the Company. He is a B.Sc and Diploma in Business Management from Meerut University. Mr. Malik has over 29 years of experience in various liquor industries. He started his career with Pilakhni Distilleries & Chemical Works as Chemist, moved to Tilak Nagar Distilleries, Maharashtra in 1975 as Production Superintendent, then to Associated Distilleries Limited as Production Manager-cum-Blender in 1986. Mr. Malik then joined Globus Spirits at its Behror Unit as General Manager (Works) in May, 1995. Later, he moved to Golden Bottling Limited, Bhiwadi as Vice President in August, 1998. Mr. Malik later rejoined Globus Spirits as Vice President in the year 2000. Mr. Malik has experience in various functional areas in liquor industries such as controlling fermentation, distillation, secondary distillation for manufacturing ethyl alcohol, extra-neutral alcohol, grain spirit and malt spirit etc. He is adept in the art of blending operations and product development in all varieties such as whisky, rum, brandy, IMFL etc. Mr. Malik is in-charge of the production facilities of the Company's Behror unit in Rajasthan.

Mr. Rameshwar Dayal Aggarwal, *Whole-Time Director*

Mr. Rameshwar Dayal Aggarwal, aged 54 years, is the Whole-Time Director of the Company. He is an M.Sc (Organic Chemistry) from Agra University and has graduated in Alcohol Technology from the National Sugar Institute, Kanpur. He started his career in 1984 as Lab Chemist with Kanoria Steel, Tarapur; moved to Royal Distillery (p) Ltd., Daman as Senior Chemist; joined Som Distillery in 1993 as Senior Production Executive; moved to Globus Agronics in 1994 at its Samalkha Unit as Production Manager. He later joined Associated Distilleries Ltd as Works Manager in 1997, moved to Oasis Distilleries Ltd., Indore as General Manager in 2001. He rejoined Globus Agronics in November 2005. He is conversant with process of fermentation, distillation, blending, etc. Mr. Aggarwal is in-charge of the production facilities of the Company's Samalkha unit in Haryana.

Mr. Deepak Roy, *Non-Executive Director*

Mr. Deepak Roy, aged 57years, is a Non-Executive Director. Mr. Roy is a B.A. (Honours) in Economics from Delhi University and Diploma in Management Science from the Japan-America Institute of Management Science, University of Hawaii, U.S.A. He has over 30 years of experience spanning marketing, sales and general management.

Mr. Deepak Roy has held assignments in the areas of marketing and general management positions in leading domestic and multinational companies such as Glaxo, Ranbaxy, CPC, Warner Hindustan, The UB Group and Diageo plc.

He was President & Managing Director of Triumph Distillers & Vintners Private Limited, a company that he promoted in 2002. This company successfully acquired UDV's domestic portfolio, by way of a management buy-out in India, from Diageo. In the last few years since Triumph was in operation, the company acquired from Polychem Limited, their brands, namely, Alcazar Vodka and Men's Club Whisky and Brandy. Prior to starting Triumph, Mr. Roy was President of Guinness UDV for South Asia, India, Russia and the Baltics. Guinness UDV is part of Diageo plc. Mr. Roy's association with Diageo plc began in November 1993, when he quit the position of Managing Director of Herbertsons Limited, to start from scratch International Distillers (India) Limited (now UDV India Limited) a joint venture between Polychem Limited and International Distillers & Vintners (now Guinness UDV), the world's largest premium drinks company. UDV went on to become a formidable player in the premium drinks business in India. Gilbey's Green Label Whisky was launched by Mr. Roy and it was largely responsible for putting Diageo on the Indian map. Mr. Roy has also managed the UDV business in Indo-China, Thailand and India. Before joining International Distillers in November 1993, Mr. Roy was associated with The UB Group. The last job he held with UB was as Managing Director of Herbertsons Limited.

Before Herbertsons, Mr. Roy was the Head of Marketing and Sales, McDowell & Co. Ltd. since January 1983. He has been credited with changing the profile of McDowell from a supply driven company to that of a company focused on consumer needs with a strong marketing, selling and distribution orientation. He championed the revamping of McDowell brands, especially McDowell's No.1 Whisky and McDowell's No.1 Brandy.

During his working career, Mr. Deepak Roy was sponsored to 'Advance Marketing Management Programme' in Harvard Business School, U.S.A. He has also handled short but challenging assignments with The UB Group in various countries like Africa and Pakistan in the company's paint subsidiaries.

Mr. Joginder Singh Dhamija, *Non-Executive & Independent Director*

Mr. Joginder Singh Dhamija, aged 75 years, is a Non-Executive and Independent Director of the Company. He is a B.A. and LLB from Punjab University, and Member, Punjab Civil Services. Mr. Dhamija has about 46 years of experience. He was Member of Punjab Civil Services from 1961 to 1979-1980 during which period he held a number of judicial, executive and administrative assignments. He was Managing Director, Punjab Tanneries and Chairman, Punjab Footwears Limited, Punjab State Government Undertakings from 1974 to 1979. He sought premature retirement and joined Tata Exports Ltd. (now Tata International) in 1979 as General Manager and Head of Leather Division at Dewas (Madhya Pradesh). He moved to the UB Group in 1982 as Chief Executive of their brewery unit, M/s Punjab Breweries. In 1987, he became Senior Vice President and Head of Breweries Division. He retired as President in 1995 and was Advisor, Breweries Division from 1997 to 1997. During this period, he was also the Chairman of various subsidiary companies such as Premier Distilleries Ltd., Palghat; Kesarwal Beverages Ltd., Goad; Kalyani Breweries Ltd., Kalyani; and Director of various other companies of the Group. He was Corporate Advisor, Narang Industries Ltd. and spearheaded their joint venture arrangements with M/s SAB, Johannesburg/London. Mr. Dhamija later was the Vice Chairman of SAB India (Pvt.) Limited from 1999-2002 and Director, Mysore Breweries Ltd. and PAL Distilleries, Bangalore. Mr. Dhamija was Advisor to the Chairperson of M/s Shaw Wallace & Co. Ltd between 2003-05. Between 2005 and 2006, he was Vice Chairman of Bagga Millennium Liquors Private Limited. In September 1995, Mr. Dhamija took charge as President and Head of Business of UB Group's Beer Division. He was also Member of the Corporate Executive Committee.

In 2000, he joined as Director and Vice Chairman of SAB India (South African Breweries) and continued with them till 2004. He was subsequently associated as Advisor to the Chairperson of Shaw Wallace & Co. Ltd for two years. Mr. Dhamija joined Globus Spirits as Director on April 20, 2007.

Mr. Santosh Kumar Bishwal, *Non-Executive & Independent Director*

Mr. Santosh Kumar Bishwal, aged 62 years, is a Non-Executive and Independent Director. He is a B.Sc (Mechanical Engg) from REC, Rourkela and M.Tech (Industrial Engineering & Operations Research) from IIT, Kharagpur. Mr. Bishwal started his career in August 1970 as Industrial Engineer with Union Carbide India Ltd in its Battery Products Division (Eveready). He later became Production Manager in its 3 different manufacturing units, and later became Chief

Industrial Engineer where he was responsible for coordinating industrial engineering activities throughout the organization. He then moved to UB Group as General Manager (Manufacturing) and then became Vice President and later became Executive Vice President – Manufacturing overseeing all India manufacturing operations of this Division. He retired in 2003 as Chief Operating Officer of the Eastern Region of UB Group's Spirits Division. He was also a Director on the Board of Herbertsons Limited. In this capacity he was accountable for the entire business in Eastern India including the states of West Bengal, Orissa, Bihar, Jharkhand and Nepal. Mr. Bishwal has about 33 years of experience. Mr. Bishwal later moved on to consulting and was associated as Chief Operating Officer of Kalinga Hospital. Since 2003, he has been a faculty member of the Xavier Labour Relations Institute, Bhubaneswar.

He was appointed as an external examiner by IIT Kharagpur for a number of years for their M.Tech programme in Industrial Engineering and Operations Research. He was also appointed as an examiner by AIMA for the project/thesis work which was apart of their PGDBM programme.

DETAILS OF BORROWING POWERS

As per the Articles of Association of the Company reproduced herein below, the Company has the following powers:

Article 66:

The Board may, from time to time, at its discretion subject to the provisions of Section 292 of the Act, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company; provided that the Board shall not without the sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose.

Article 67:

The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by the issue of bonds, perpetual or redeemable, debentures or debenture-stock, or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company (both present and future] including its uncalled capital for the time being.

Article 68:

Any debentures, debenture-stock, bonds other securities may be issued at a discount and otherwise debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. Debentures, debenture-stock, bonds or other securities with a right of conversion into or allotment of shares shall be issued only with sanction of the Company in General Meeting.

Article 69:

Save as provided in Section 108 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.

Article 70:

If the Board refuses to register the transfer of any debentures, the Company shall, within one month from the date on which the instrument of transfer was lodged with the company, send to the transferee and to the transferor the notice of such refusal.

Article 71:

The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures, and charges specifically affecting the property of the Company, and shall cause the requirements of Sections 118 and 125 and 127 to 144, both inclusive of the Act in that behalf to be duly complied with, so far as they are ought to be complied with by the Board.

Article 72:

The Company shall, if at any time it issues debentures, keep Register and Index of Debenture holders in accordance with Section. 152 of the Act. The Company shall have the power to keep in any State or Country outside India a Branch Register of Debenture-holders, resident in that State or Country.

The shareholders in their Extra-Ordinary General Meeting held on December 29, 2006 have pursuant to the provisions of section 293 (1)(d) of the Companies Act, 1956, authorized the Company to borrow money from time to time up to a limit not exceeding in the aggregate of Rs. 50 crores notwithstanding that money to be borrowed, together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves.

TERMS OF APPOINTMENT & COMPENSATION OF MANAGING DIRECTOR AND WHOLE-TIME DIRECTORS

i. Mr. Ajay Kumar Swarup, *Managing Director*

Mr. Ajay Kumar Swarup was appointed as Managing Director w.e.f December 1, 2006 in the Extra-Ordinary General Meeting of the Shareholders held on December 29, 2006, for a period of 5 years with the liberty by either party to terminate the appointment on one month's notice. The terms of his appointment were later revised by the Board of Directors in their meeting held on April 2, 2007 and again on May 3, 2007 which was approved by the shareholders at the Extra-ordinary General Meeting held on June 2, 2007.

The terms of his appointment are as follows:

- a. Basic Salary: Rs. 1,40,000/- per month with suitable increases as determined by the Board.
- b. Special Allowance: Rs. 34,000/- per month with suitable increases as determined by the Board.
- c. House Rent Allowance: Rs. 35,000/- per month with suitable increases as determined by the Board.

A part from the above monthly remuneration Sh. Ajay K. Swarup will be entitled for 1% of net profit as commission.

d. Perquisites:

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

- i. Medical Reimbursement:
Expenses incurred for self and his family subject to a ceiling of one month salary in a year or three months salary in a period of three years.
- ii. Leave Travel Concession:
For self and family once in a year in accordance with the rules of the Company.
- iii. Club Fee:
Fees of clubs, subject to a maximum of three clubs provided that no life membership or admission fee will be allowed.
- iv. Gratuity not exceeding half month's salary for each completed year of service subject to a ceiling of Rs 10 lakhs.
- v. Provision of car with driver for use of company's business and telephone at residence, but personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.
- x. 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.

The appointment may be terminated by either party giving the other party one month notice or the company paying one month's salary in lieu thereof.

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

The Board of Directors of the Company at their meeting held on 01.08.2009 have revised the remuneration of Mr. Ajay Kumar Swarup, Managing Director of the Company w.e.f October 1, 2009 subject to the confirmation of the members of the Company at the General Meeting.

ii. Mr. Manik Lal Dutta, Executive Director

Mr. Manik Lal Dutta was appointed as Whole Time Director w.e.f August 1, 2006 for a period of 3 years in the Annual General Meeting of the Shareholders held on September 30, 2006. The Board of Directors of the Company at their meeting held on 03.10.2008 revised the remuneration of Mr. Manik Lal Dutta, Executive Director of the Company w.e.f October 1, 2008 which was approved by the Shareholders at the Extra Ordinary General Meeting of the Company held on 30.10.2008. Further the Board of Directors of the Company at their meeting held on 01.08.2009 further approved the re-appointment of Mr. Manik Lal Dutta as Executive Director of the Company w.e.f August 1, 2009 for a period of 3 years subject to the consent of the members of the Company.

Mr. Manik Lal Dutta, Executive Director is to be paid the following remuneration w.e.f October 1, 2008 :

- a. Basic Salary: Rs. 45,000/- per month with suitable increases as determined by the Board.
- b. HRA: Rs. 18,000/- per month with suitable increases as determined by the Board.
- c. Special Allowance: Rs. 6,750/- per month with suitable increases as determined by the Board.
- d. Medical Allowance: Rs. 1,250/- per month with suitable increases as determined by the Board.

In addition to the above Mr. Manik Lal Dutt 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.
- iii. Bonus as per Company's rules and regulations.
- iv. Provision of car with driver for use of company's business and for private purpose.
- v. Telephone facility for use of company's business purpose.
- vi. 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 the director of the company for any cause whatsoever, he shall cease to be the Whole-time Director of the Company.

iii. Mr. Rajesh Kumar Malik, Whole Time Director

Mr. Rajesh Kumar Malik was appointed as a Whole Time Director w.e.f December 1, 2006 in the Extra-Ordinary General Meeting of the Shareholders held on December 29, 2006 for a period to be determined by liable to retire by rotation. The Board of Directors of the Company at their meeting held on 03.10.2008 revised the remuneration of Mr. Rajesh Kumar Malik, Whole Time Director of the Company w.e.f October 1, 2008 which was approved by the Shareholders at the Extra Ordinary General Meeting of the Company held on 30.10.2008.

Mr. Rajesh Kumar Malik, Whole Time Director, is to be paid the following remuneration w.e.f October 1, 2008:

- a. Basic Salary: Rs. 27,000/- per month with suitable increases as determined by the Board.
- b. HRA: Rs. 13,000/- per month with suitable increases as determined by the Board.
- c. Special Allowance: Rs. 2,500/- per month with suitable increases as determined by the Board.
- d. Perquisites:

In addition to the above Mr. Rajesh Kumar Malik 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:
- vi. 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 the Director of the company for any cause whatsoever, he shall cease to be the Whole-Time Director of the Company.

iv. Mr. Rameshwar Dayal Aggarwal, *Whole Time Director*

Mr. Rameshwar Dayal Aggarwal was appointed as a Whole Time Director w.e.f December 1, 2006 in the Extra-Ordinary General Meeting of the Shareholders held on December 29, 2006 for a period to be determined by liable to retire by rotation. The Board of Directors of the Company at their meeting held on 03.10.2008 revised the remuneration of Mr. Rameshwar Dayal Aggarwal, Whole Time Director of the Company w.e.f October 1, 2008 which was approved by the Shareholders at the Extra Ordinary General Meeting of the Company held on 30.10.2008.

Mr. Rameshwar Dayal Aggarwal, Whole Time Director, is to be paid the following remuneration w.e.f October 1, 2008 :

- a. Basic Salary: Rs. 24,400/- per month with suitable increases as determined by the Board.
- b. HRA: Rs. 15,000/- per month with suitable increases as determined by the Board.
- c. Conveyance Allowance: Rs. 3,000/- per month with suitable increases as determined by the Board.
- d. Perquisites:

In addition to the above Mr. Rameshwar Dayal Aggarwal 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 the Director of the company for any cause whatsoever, he shall cease to be the Whole-Time Director of the Company.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE & SUB-COMMITTEES

The directions issued by the SEBI vide SEBI/CFD/DIL/CG/1/2004/12/10 dated October 29, 2004 under Clause 49 of the Listing Agreement in respect of Corporate Governance are applicable to the Company immediately upon seeking in-principle approval from the Stock Exchange(s) for listing of the Equity Shares on the various stock exchanges.

The Company stands committed to good Corporate Governance practices. The corporate governance philosophy is dedicated to the attainment of the highest levels of accountability and transparency in dealings with its stakeholders. The corporate governance policies lay emphasis on communication (both internal and external) and reporting. These vital initiatives extend beyond mandatory corporate governance requirements and are in accordance with the Company's aim of establishing voluntary best practices for good corporate governance practices.

The Company complies with the norms for composition of the Board of Directors and has already set up an Audit Committee, Remuneration Committee, Share Transfer Committee and Investor Grievance Redressal Committee. The Company's Board has eight Directors of which three are independent directors viz. Mr. Gautam Premnath Khandelwal, , Mr. Joginder Singh Dhamija and Mr. Santosh Kumar Bishwal. Mr. Deepak Roy is a Non Executive Director of the Company. As the Chairman of the Company is a Non-Executive Director, a minimum of one-third of the Board of Directors must comprise Independent Directors. The Issuer Company has already formed the following Committees:

The Board of Directors, as on date, comprises a total of eight (8) Directors which includes one (1) Managing Director, three (3) Whole-Time Directors, three (3) Independent Directors and One (1) Non Executive Director.

Committees of the Board

i. Audit Committee

The audit committee was first constituted on 30.12.2000 The Audit Committee was reconstituted on 15th March, 2007 and on August 1, 2009.pursuant to the provisions of the Section 292A of the Companies Act, 1956 with the following members:

- i. Mr. Santosh Kumar Bishwal, Chairman
- ii. Mr. Joginder Singh Dhamija, *Member*
- iii. Mr. Deepak Roy, *Member*

The Chairman of the Committee, Mr. Santosh Kumar Bishwal, the member of the Committee, Mr. Joginder Singh Dhamija, is a Non-Executive and Independent Director and Mr. Deepak Roy, Member is a Non Executive Director of the Company.

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

1. To Review with the management, the quarterly, half yearly and annual financial statements before submission to the board for approval.
2. To review with the management, performance of the Statutory and Internal auditors, adequacy of internal control system.
3. To review the adequacy of internal audit function and the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
4. To discuss with Internal Auditors any significant findings and follow up thereon.
5. To discuss with statutory auditor before the audit commences about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
6. To Review with the management the annual financial statements before submission to the board for approval with reference to:
 - Matter required to be included in the Director Responsibility statement to be included in Board report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - Changes if any, in accounting policies and practices and reason for the same.

- Major accounting entries involving estimates based on exercise of judgment by management.
 - Compliance with the listing and other legal requirement relating to financial statement.
 - Disclosure of any related party transaction.
 - Qualification in the draft audit report.
7. To carry such other function as is mentioned in the terms of reference of Audit Committee.

The Audit Committee has met twice (2) times during the last fiscal year 2008-2009 and twice (2) time till date in the current fiscal year 2009-10.

ii. Remuneration Committee:

The Remuneration Committee was first constituted on 25th July, 2006 and was reconstituted on 15th March, 2007, with the following Directors of the Board:

1. Mr. Joginder Singh Dhamija, *Chairman*
2. Mr. Santosh Kumar Bishwal, *Member*
3. Mr. Deepak Roy, *Member*
4. Mr. Gautam Premnath Khandelwal, *Member*

The Chairman of the Committee, Mr. Joginder Singh Dhamija and the members of the Committee,, Mr. Santosh Kumar Bishwal, and Mr. Gautam Premnath Khandelwal are Non-Executive and Independent Directors. Mr. Deepak Roy, Member is a Non Executive Director of the Company.

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

1. To fix the Salary & Perquisites of Executives of the company.
2. 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.
3. To consider the profits of the company and to decide about the adequacy of profits of the company.
4. 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 Schedule XIII of the companies Act.
5. To approve the remuneration payable to the managerial personnel of the company in case of inadequacy of the profits.
6. To take all other consequential and incidental action and measure.

The Remuneration Committee has met once (1) times during the last fiscal year 2008-09 and once (1) time till date in the current fiscal year 2009-10.

iii. Share Transfer Committee

The Share Transfer Committee was constituted on March 15, 2007. The Share Transfer Committee constitutes the following Directors of the Board:

1. Mr. Santosh Kumar Bishwal, *Chairman*
2. Mr. Joginder Singh Dhamija, *Member*
3. Mr. Rameshwar Dayal Aggarwal, *Member*
4. Mr. Rajesh Kumar Malik, *Member*

The Chairman of the Committee, Mr. Santosh Kumar Bishwal, Mr. Joginder Singh Dhamija, member of the Committee are Non-Executive and Independent Directors. Mr. Rameshwar Dayal Aggarwal and Mr. Rajesh Kumar Malik, members of the Committee are Whole-time Directors.

The terms of reference of the Share Transfer Committee are as under:

1. To scrutinize the Share transfer application forms received by the company and if found in order in all respects to register transfers of shares in the Register of member of the company;
2. To scrutinize the various documents received by the company, namely Death certificates, Marriage certificates, succession certificates, letter of indemnity in favour of the company, Probate of wills of the shareholders and if found in order to register transmission of shares in the Register of members of the company;
3. To register the various documents as mentioned above in the register of Documents maintained by the company;
4. To approve the issued of split share certificates and new share certificates in place of defaced, torn, damaged and soiled share certificates on receipt of proper application and other required papers and documents from the shareholders;
5. To sign the share certificates and to affix the company's Common seal on them in accordance with the provisions of the Companies Act, the Companies (Issue of share) Certificates Rules, 1960 and those of the Articles of Association of the company, and
6. To take all other consequential and incidental action and measure.

iv. Investor Grievance Redressal Committee

The Investor Grievance Redressal Committee was constituted on March 15, 2007. The Share Transfer Committee constitutes the following Directors of the Board:

1. Mr. Santosh Kumar Bishwal, *Chairman*
2. Mr. Joginder Singh Dhamija, *Member*
3. Mr. Rameshwar Dayal Aggarwal, *Member*
4. Mr. Rajesh Kumar Malik, *Member*

The Chairman of the Committee, Mr. Santosh Kumar Bishwal, Mr. Joginder Singh Dhamija, member of the Committee are Non-Executive and Independent Directors. Mr. Rameshwar Dayal Aggarwal and Mr. Rajesh Kumar Malik, member of the Committee are Whole-time Directors.

The terms of reference of the Investor Grievance Redressal Committee are as under:

1. To look in to redressal of shareholder and investor complaints.
2. To Receive complaints from the shareholders regarding Non receipt of Balance Sheet, Non receipt of declared Dividend, Non inspection of the Statutory Records. Non-receipt of the copy of records as required by the act to be given to shareholders.
3. To reply the investor and shareholders for their queries.
4. To inform the shareholders regarding provisions of various act and the redressal agency for their grievance.
5. To take all other consequential and incidental action and measure.

The Company Secretary of the Company, Mr. Santosh Kumar Pattanayak is the Compliance Officer.

There were no unresolved complaints/transfers pending.

v. IPO Committee

The IPO Committee was constituted on 15th March 2007. The IPO Committee constitutes the following Directors of the Board:

1. Mr. Ajay Kumar Swarup, *Chairman*
2. Mr. Manik Lal Dutta, *Member*
3. Mr. Deepak Roy, *Member*
4. Mr. Santosh Kumar Bishwal, *Member*

The Chairman of the Committee, Mr. Ajay Kumar Swarup is Managing Director. Mr. Manik Lal Dutta is an Executive Director. Mr. Santosh Kumar Bishwal is a Non-Executive and Independent Director and Mr. Deepak Roy, Member is a Non Executive Director of the Company.

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

1. To take decisions relating to any matter arising pre or post in respect of Initial public offer to the public and to deal with SEBI, Stock exchange, all intermediaries and to do all such acts and things as deemed necessary for the purpose.

The IPO Committee has met once (1) during the last fiscal year 2008-2009.

vi. Selection Committee

The Selection Committee was constituted on March 15th, 2007. The Selection Committee constitutes the following Directors of the Board:

1. Mr. Manik Lal Dutta, *Chairman*
2. Mr. Rajesh Kumar Malik, *Member*
3. Mr. Rameshwar Dayal Aggarwal, *Member*

The Chairman of the Committee, Mr. Manik Lal Dutta is an Executive Director. Mr. Rajesh Kumar Malik and Mr. Rameshwar Dayal Aggarwal, members are Whole-time Directors.

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

1. To recruit & appoint executives of the company.
2. To decide the term of appointment of executives of the company.
3. To decide the remuneration payable to the executives of the company in consultation with remuneration committee and Management.
4. To comply with the Director (relative holding of office or place of profit) Rules 2003.
5. To take all other consequential and incidental action and measure.

Shareholding of the Directors

The shareholding of the Directors on the date of filing the Red Herring Prospectus is as follows:

Sl. No.	Name of the Director	No. of Shares	%Age of the Paid-up Share Capital
1.	Mr. Deepak Roy	2,25,000	1.84
2.	Mr. Gautam Premnath Khandelwal	33	0.0003

For details regarding Equity Shares held by the Promoters and their families and entities controlled by them, please refer "Capital Structure of the Company" at page no. 22 of this Red Herring Prospectus.

Interest of the Directors

All the non-Executive Directors of Globus Spirits Ltd. may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or Committee thereof as well as to the extent of other remuneration and/or reimbursement of expenses payable to them as per the applicable laws, and the Articles of Association.

The Directors may also be regarded as interested in the Equity Shares and dividend payable thereon, if any, held by or that may be subscribed by and allotted/transferred to them or the companies, firms and trust, in which they are interested as Directors, Members, partners and or trustees. All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by Globus Spirits Ltd with any Company in which they hold Directorships or any partnership firm in which they are partners as may be declared in their respective declarations.

The Managing Director, Executive Director and Whole Time Directors of Globus Spirits Ltd. Are interested to the extent of remuneration paid to them for services rendered as officers or employees of the Company (For more details, please refer "Related Party Disclosures" as mentioned in the Auditors' Report given in this Red Herring Prospectus at page no. 155.

Further, the Directors are also interested to the extent of Equity Shares, if any, already held by them or their relatives in the Company, or that may be subscribed for and allotted to them, out of the present Issue in terms of this Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated otherwise in this Red Herring Prospectus, the Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Red Herring Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered with them.

Changes in Directors in the last three years

Sl. No	Name	Date of Appointment	Date of Cessation	Reason
1.	Mr. Kanshi Prasad Pandey		1.12.2006	Resignation
2.	Mr. Ajay Kumar Swarup	1.12.2006	-	Appointment as Managing Director
3.	Mr. Rajesh Kumar Malik	1.12.2006	-	Appointment as Whole-Time Director
4.	Mr. Rameshwar Dayal Aggarwal	1.12.2006	-	Appointment as Whole-Time Director
5.	Mr. Ashok Kumar		20.2.2007	Resignation
6.	Mr. Deepak Roy	20.2.2007	-	Appointment
7.	Mr. Joginder Singh Dhamija	20.2.2007	-	Appointment as Additional Director
8.	Mr. Santosh Kumar Bishwal	20.2.2007	-	Appointment as Additional Director
9.	Mr. Madhav Kumar Swarup		17.4.2007	Resignation. Mr. Madhav Kumar Swarup was appointed as Additional Director on 16.3.2004 which was confirmed in the AGM held on 30.9.2004. He resigned on 17.4.2007 on account of the fact that his age did not permit him to take the enhanced responsibility of the Company's ongoing business and expansion plans.
10.	Mr. Manik Lal Dutta	1.8.2009	-	Re Appointment as Executive Director

ORGANISATION CHART-GLOBUS SPIRITS LIMITED

MANAGEMENT ORGANISATION STRUCTURE

The Company's organization structure for its Corporate Office and operating units is given in the following diagrams as outlined in Chart 1, Chart 2 and Chart 3:

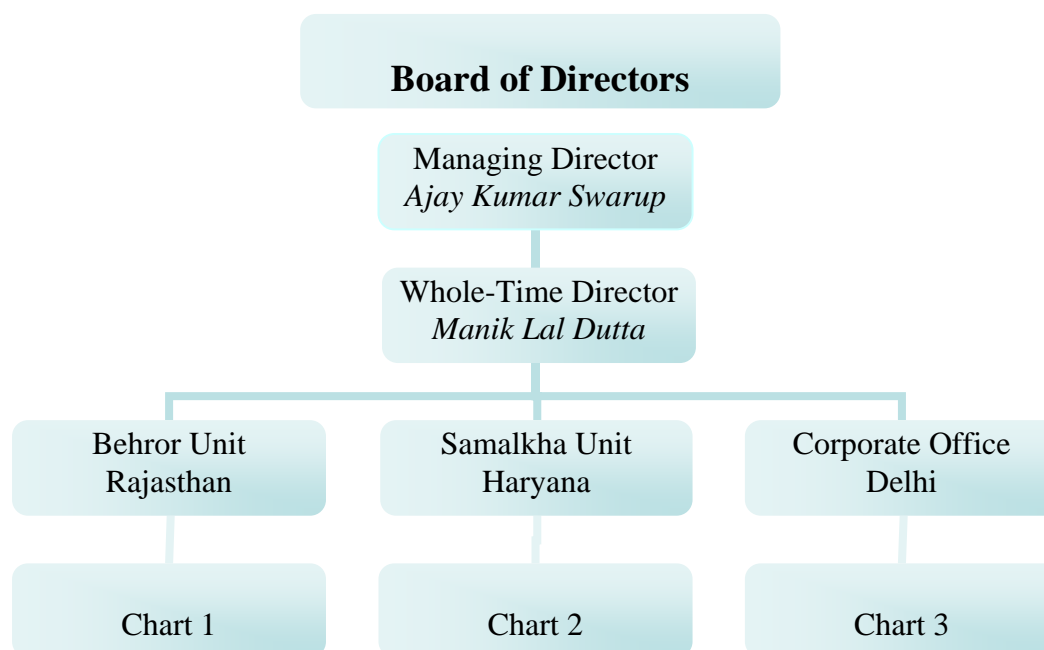


Chart 1:

BEHROR UNIT, RAJASTHAN

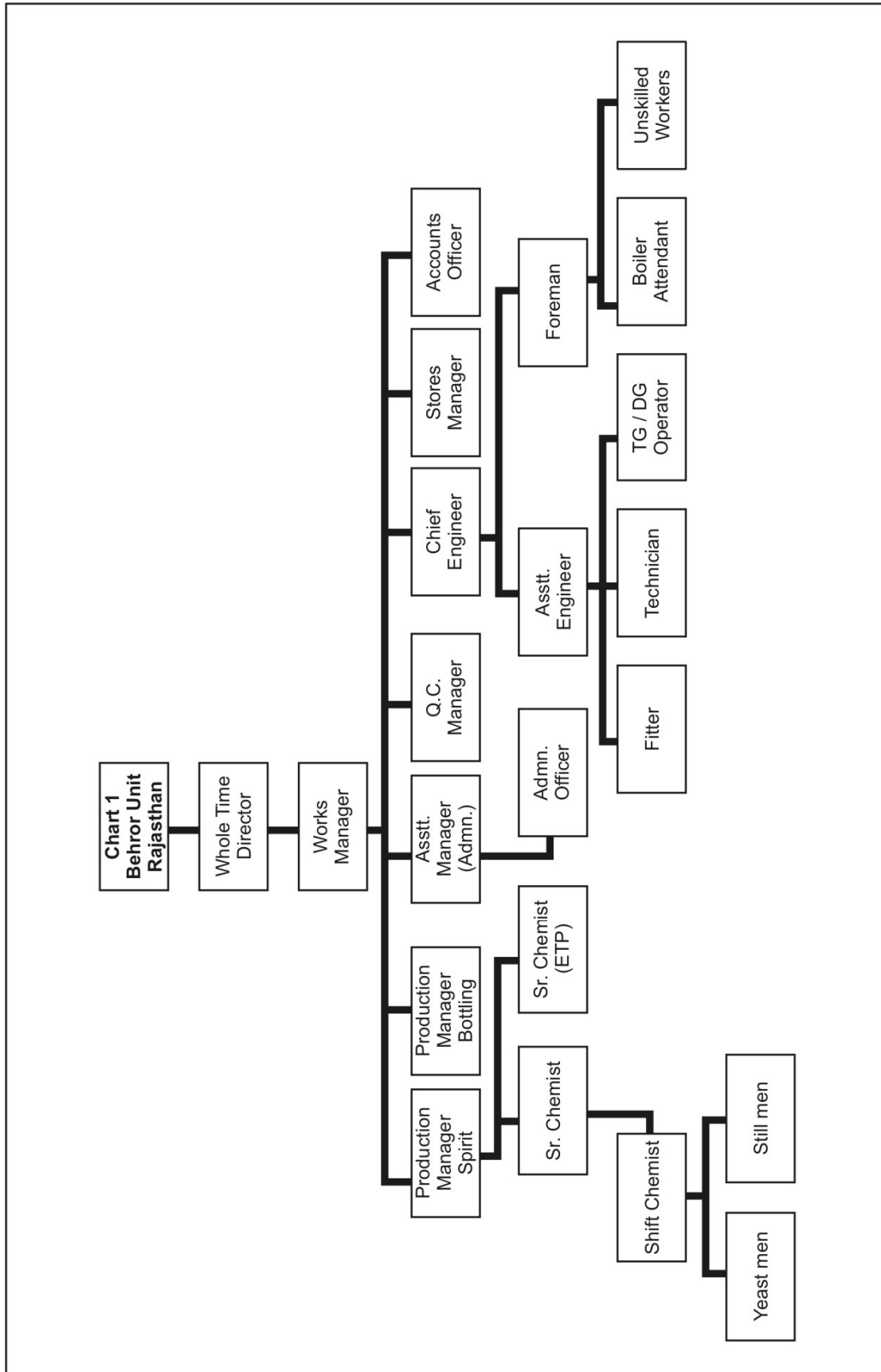
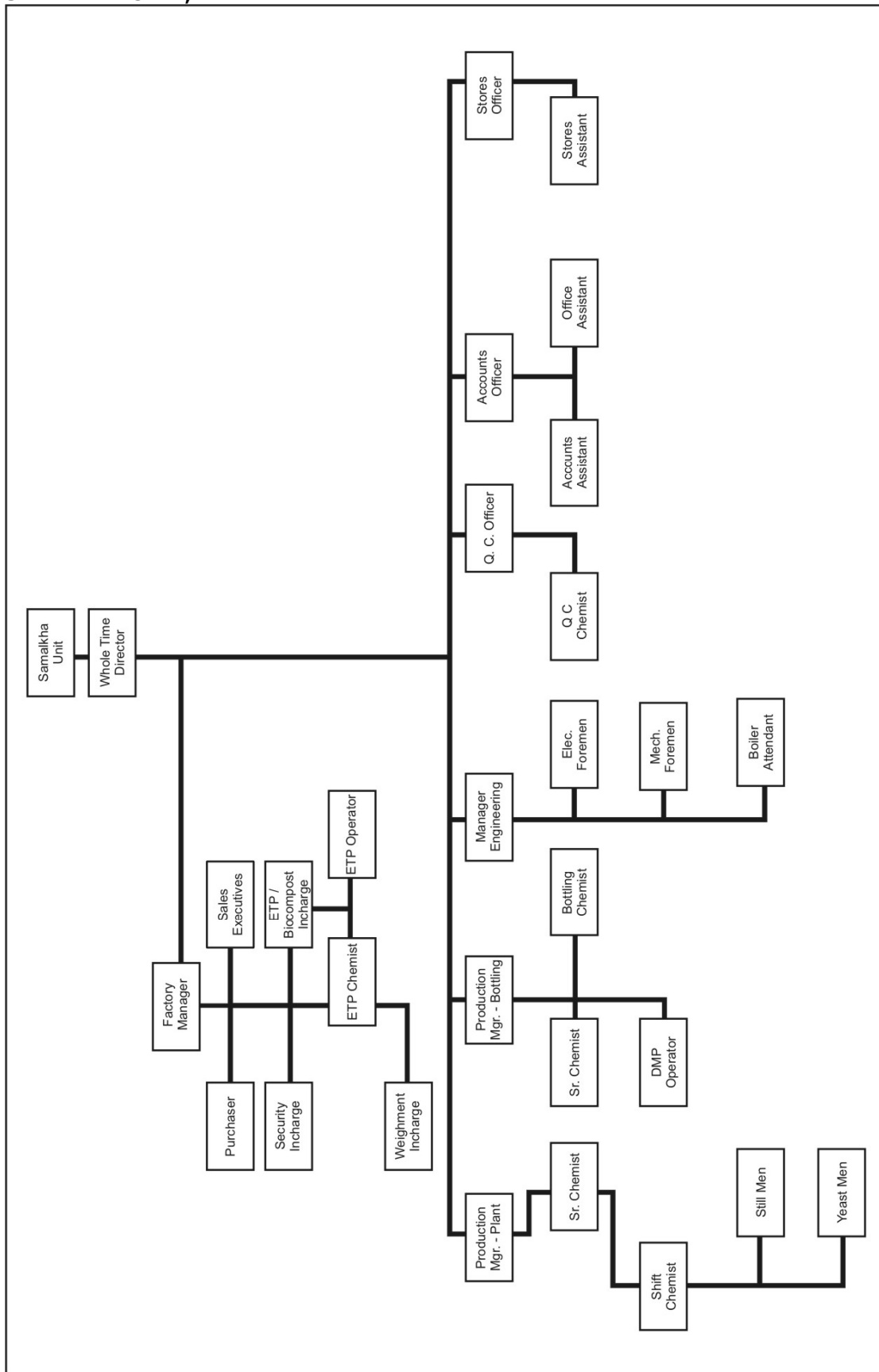


Chart 2:

SAMALKHA UNIT, HARYANA



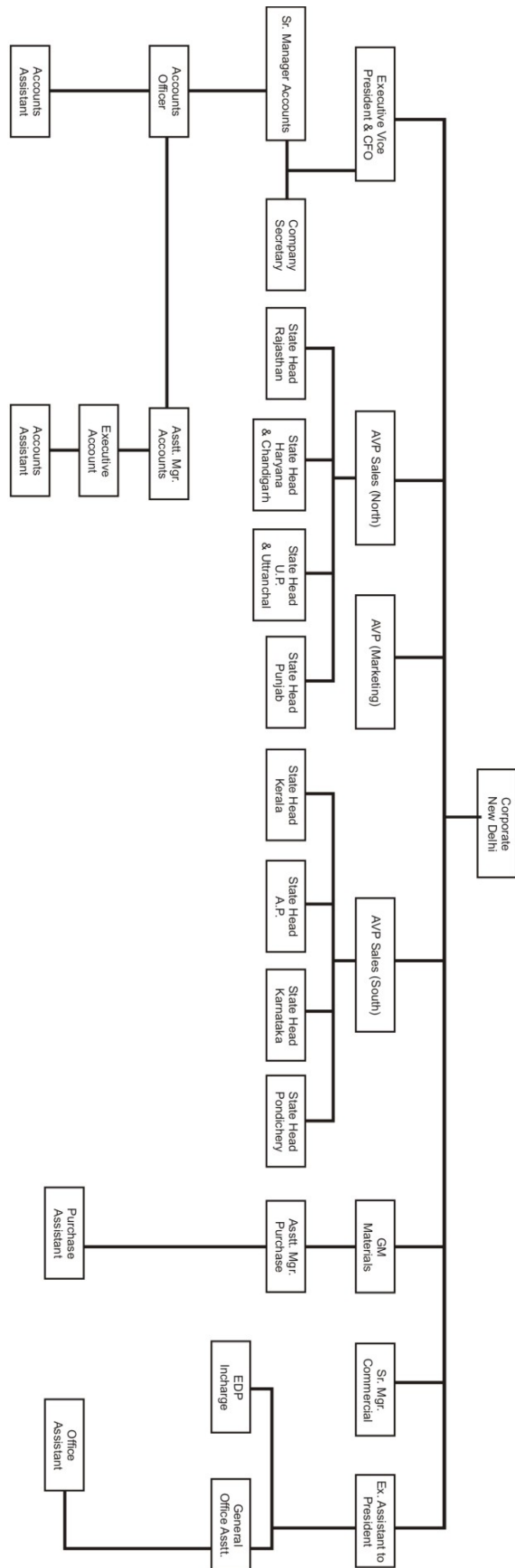


Chart 3 :
Corporate Office,
New Delhi.

KEY MANAGERIAL PERSONNEL

The Company is managed by its Board of Directors, assisted by qualified professionals, with vast experience in the field of production, finance, marketing, distribution, accounts and corporate laws. The following key personnel other than Managing Director, Executive Director and Whole-Time Directors, who assist the Management.

Details of the key managerial personnel are as follows:

Sl. No.	Name of Employee	Designation	Age Years	Qualification	Date Of Joining	Experience (Yrs)	Previous Employment
1.	Dr. Bhaskar Roy	Executive Vice President & Chief Financial Officer	45	M.Com, FCA, PhD	13.10.2005	21	Saraya Distillery (Unit of Saraya Industries Ltd.)
2	Mr. Anil Arora	Asst. Vice President-Sales (North & East)	49	BA, Post Graduate in Marketing & Sales Management	22.10.2007	26	AB Grain and Spirits Pvt. Limited
3	Mr. Deepak Saroha	Works Manager (Behror Rajasthan)	35	B.Sc., DIFAT (Pune)	30.06.2007	10	M/s Radico Khaitan Ltd.
4	Mr. Jeevan Das	Manager Material	44	B.Sc , Diploma in Material Management (Chennai), Diploma in Mech. Engg. (Kolkata),	05.12.2006	20	Bharat Explosive Limited
5	Mr. Kapil Verma	General Manager (Factory) (Samalkha, Haryana)	39	B.A., PGDIR & PM	12.10.1995	12	-
6	Mr. Santosh Kumar Pattanayak	Company Secretary	32	B.Com, LLB, ACS, Diploma in Computer Software from APTECH	1.9.2005	5	Magnum Strips & Tubes Pvt. Ltd.

All the above key managerial personnel are permanent employees.

Brief profile of the Key Managerial Personnel:

Dr. Bhaskar Roy, Executive Vice President & Chief Financial Officer - aged 45 years, is a Chartered Accountant and Doctorate in Commerce. He joined the Company in October 2005 and has over two decades of experience in the areas of Strategic Financial Planning, Fund Management, Accounts, Auditing, Budgeting and MIS. He has expertise in designing internal control systems towards the accomplishment of corporate business goals, a keen analyst with relationship management skills and ability in liaising with Banks, Financial Institutions and other external agencies. He started his career as Senior Auditor with Baid Sethia & Co., Chartered Accountants in September, 1985, moved to Asiatic Oxygen Ltd. in 1987 as Finance & Accounts Manager, then to Dhampur Sugar Mills in 1990 as General Manager (Finance). Before joining Globus Spirits, he was with Saraya Industries Ltd. As Chief General Manager (Finance). In Globus, he is responsible for all finance, accounts, treasury, corporate laws and public issue matters.

Mr. Anil Arora, Asst. Vice President-Sales (North & East)

Mr. Anil Arora, aged 49 years, is a BA from Punjab University, Chandigarh and a Post Graduate in Marketing & Sales Management from Rajendra Prasad Institute of Communication and Management, Chandigarh. He joined the Company in October 2007 and has around 26 years experience with various liquor companies in the areas of Sales and Development of new liquor brands. Mr. Arora started his career as Sales Representative with McDowell & Co. Limited in 1983 and was promoted as Area Sales Officer and then as Area Sales Manager within McDowell. He joined Whyte & Mackay (India) Limited in 1996 as Regional Manager for Punjab, Haryana, Rajasthan, Himachal Pradesh, Jammu & Kashmir, Chandigarh and Uttar Pradesh. Mr. Arora then

joined Radico Khaitan Limited in 1998 as Zonal Manager wherein he rose to become Senior General Manager for East Zone. He later joined AB Grain and Spirits Pvt. Limited as Vice President-Marketing & Sales-All India in April 2007 which he later left to join Globus Spirits in October 2007.

Mr. Jeevan Das, Manager (Materials)

Mr. Jeevan Das, aged 44, is B.Sc (Physics), Diploma in Materials Management from the NIIRD, Chennai and Diploma in Mech. Engg from AIES, Kolkata. He has over 20 years of experience in the areas of Materials Management and project/capital procurement. He started his career in 1988 with Alpa Engineers Pvt. Ltd., then moved to Triveni Engg. Works Ltd. In 1990. Before joining Globus, he was with Bharat Explosive Limited since 1994 to 2005. In Globus, he is responsible for Project/capital procurement, Procurement of Maintenance-repair-operation items, procurement of process chemicals & lab items, packing materials for IMFL, procurement of fuel, vendor development etc.

Mr. Deepak Saroha, Works Manager (Behror, Rajasthan)

Mr. Deepak Saroha, aged 35, is B.Sc and D.I.F.A.T from VSI, Pune. He has about 10 years of experience in various distiller companies in the areas of Plant Operation, ETP Operations, etc. He started his career with M/s Agrawal Breweries& Textiles Ltd. in the year 1999 moved to Oasis Distillers Ltd., and then joined M/s Globus Agronics Ltd. from Dec 2001 to July 2005. He later joined Radico Khaitan Ltd. in the year 2005 which he later left to join Globus Spirits in June 2007. He is actively involved in the Plant operations with desired efficiencies, ETP operations, Bottling operations etc.

Mr. Kapil Verma, General Manager Factory (Samalkha-Haryana)

Mr. Kapil Verma, aged 39 years, is Bachelor of Arts and has completed Post Graduate Diploma in Industrial Relations & Personnel Management. He has about 12 years of experience in alcohol industry. He started his career with Globus Spirits at its Behror Unit as Administrative Officer in 1994. He later shifted to the Company's Samalkha Unit as Manager (Administrative & Personnel) and rose to become the Factory manager of the Unit. He was further promoted as General Manager Factory of the Unit. He is responsible for administration, security, labour welfare, time office, estate management, insurance, upkeep of factory premises, liaisoning with excise, sales tax & pollution department etc., effluent management, supervision of purchase, liaisoning with Govt. Officers and nearby populace.

Mr. Santosh Kumar Pattanayak, Company Secretary

Mr. Santosh Kumar Pattanayak, aged 32, is B.Com, LLB, ACS, and Diploma in Computer Software from APTECH. He has about 5 years experience in the areas of secretarial and corporate law matters. He started his career with Phoenix Overseas Ltd. as management Trainee in its secretarial and legal department, and then moved to Magnum Strips and Tubes Pvt. Ltd. as Company Secretary prior to joining Globus Spirits Ltd in September, 2005. He is currently responsible for secretarial and legal matters, facilitating finance and accounts department in getting credit facilities and finalizing accounts etc.

All the abovementioned Key Managerial Persons are permanent employees of the Company.

It is confirmed that except as otherwise stated in this Red Herring Prospectus, all the above-mentioned key managerial personnel have no other material / pecuniary interest in the Company. Further, none of the key managerial personnel has been selected as director / member of senior management by virtue of any arrangement or understanding with major shareholders, customers, suppliers or others.

Shareholding of Key Managerial Personnel

None of the Key Managerial Personnel hold any shares of the company as on the date of this Red Herring Prospectus.

Bonus or Profit Sharing Plan for the Key Managerial Personnel

There is no Profit Sharing Plan for the Key Managerial Personnel. The Company makes bonus payments to the employees based on their performances, which is as per their terms of appointment.

Changes in Key Managerial personnel during the last 1 year

Sl. No.	Name	Designation	Date of		Reason
			Joining	Leaving	
1.	Mr. Pradeep Kapoor	General Manager (Materials)	01.09.2006	05.09.2008	Resignation
2.	Mr. Alexander C V J Victoria	Asst. Vice President Sales (South India)	03.03.2008	13.09.2008	Resignation
3.	Mr. Himanshu Misra	Asst. Vice President-Marketing	16.06.2008	18.05.2009	Resignation
4.	Mr. Narendra Kumar	Works Manager (Behror Rajasthan)	21.04.2006	31.12.2008	Resignation
5	Mr. Jeevan Das	Manager (Materials)	05.12.2006	-	Appointment
6	Mr. Deepak Saroha	Works Manager (Behror Rajasthan)	30.06.2007		Appointment

Family relation with Key Managerial Personnel (KMP)

There exists no family relation between the promoters/directors and the key managerial personnel.

Disclosures Regarding Employees Stock Option Scheme / Employees Stock Purchase Scheme

The Company has not issued any Employees Stock Option Scheme / Employees Stock Purchase Scheme, as required by the Guidelines or Regulations of SEBI relating to Employee Stock Option Scheme and Employee Stock Purchase Scheme.

Payment or Benefit to Officers of the Company

In the last two years, the Company has not paid or given any amount or benefit to any of its officers except the normal remuneration for services rendered as Directors, officers or employees.


PROMOTERS

Mr. Ajay Kumar Swarup and Chand Bagh Investments Limited are the promoters of the Company.

PROMOTERS AND THEIR BACKGROUND

Mr. Ajay Kumar Swarup, Managing Director

Mr. Ajay Kumar Swarup, aged 50 years, is the Promoter and Managing Director of the Company. After completing his schooling from Doon School, he completed B.A. (Honours) in Economics from St. Stephens College, Delhi University and PGDBM from the Indian Institute of Management, Kolkata. Mr. Ajay Swarup has been associated with the Company since inception and has over 24 years of experience in the alcohol and distillery industry. He started his career with SVP Industries Ltd., an alcohol and distillery company; co-promoted Associated Distilleries Limited in 1983 and later promoted Globus Spirits Ltd. in 1993. He was the President of All India Distillers Association between March 1992 and July 1995. Mr. Swarup manages the day-to-day affairs of the Company and is responsible for business policies, strategic decisions, business development etc. As a strategic planner with a hands-on approach, he has been instrumental in the growth of the Company to this level. Mr. Swarup was appointed as Managing Director of the Company w.e.f 1.12.2006.

Name of the Promoter	Mr. Ajay Kumar Swarup
Photo of the promoter	
Driving Licence No.	P03061999137891
Passport Details	Z 1396527
PAN No.	AGXPS2323K
Voter Id No	DL/02/006/156541
Name of Bank and Branch	Punjab National Bank Maharani Bagh New Delhi
Bank Account No.	150900 0100153148

Declaration by the Promoter

The Company confirms that the Permanent Account Number, Bank Account Number, and Passport Number of the promoter would be submitted to the BSE and NSE at the time of filing the Draft Red Herring Prospectus with them.

Further, the Promoters, their relatives as per Companies Act 1956, Globus Spirits Limited, and promoter group companies have not been declared or detained as wilful defaulters by RBI or any other government authority and there are no violations of securities laws committed by them in the past nor any such proceedings are pending against them. Neither the Promoters, nor its directors, any of the company's associates or group companies, and companies with which the Directors of the Issuer Company are associated as directors or promoters have been prohibited from accessing the capital market under any order or directions passed by SEBI.

Chand Bagh Investments Limited (CBIL):

Name of the Company	Chand Bagh Investments Limited
Registered Office	C-631, New Friends Colony, New Delhi – 110065
Company Registration Number	55-52661
Corporate Identification Number	U74899DL1993PLC052661
Registrars of Companies	Registrar of Companies, Delhi & Haryana IFCI Tower, 4th Floor, 61, Nehru Place New Delhi - 110 019
PAN No.	AAACC7112N
TAN No.	DELC09204G
Name of Bank and Branch	Punjab National Bank BO: Maharani Bagh, Plot No. 3, Commercial Complex, Siddhartha Enclave New Delhi – 110 014
Current Bank Account No.	1509002100014647

History of the company

Incorporated on March 18, 1993 by the name of Chand Bagh Investments Private Limited with the Registrar of Companies, Delhi & Haryana, as a private limited company. CBIL later changed its name to Chand Bagh Investments Limited and a fresh Certificate of Incorporation was obtained from Registrar of Companies, Delhi & Haryana on November 1, 1994. CBIL has its registered office at C-631, New Friends Colony, New Delhi – 110065.

The main objects of CBIL are:

1. To carry on the business of investment company and financing industrial enterprises, and to invest in and acquire and hold shares, stocks, debentures, debenture stocks, bonds, obligations and securities issued or guaranteed by any company constituted or carrying on business in India or elsewhere and debentures, debenture stocks, bonds, obligations, and securities issued by or guaranteed by any Government State, dominion, sovereign, ruler, commissioner public body or authority supreme, municipal, local or otherwise, whether in India or elsewhere.
2. To carry on the business of issue house for issue of shares, debenture stocks, bonds and for that purpose, arrange for underwriters, brokers, bankers, advisors and act as a registrar to the issue of shares as service organization in all its aspects arrange and assist in the arrangement of finance and know-how for projects or collaborators for projects, whether in India or elsewhere.

Chand Bagh Investments Limited was first allotted equity shares in Globus Spirits on 24.6.1993 and held as much as 25,00,000 equity shares on 1.11.1994 out of the total 25,00,070 equity shares of Globus Spirits. The Shares allotted to Chand Bagh were at face value since 1993 and the Company's networth was comfortable to make such investments in Globus Spirits. As on date, Chand Bagh Investments Ltd holds 1,13,67,510 Equity Shares in Globus Spirits Limited accounting for 92.74% of the Pre-Issue paid-up capital of the Company.

Promoter

Mr. Ajay Kumar Swarup is the Promoter of CBIL. Mr. Ajay Kumar Swarup holds 26.16% equity in CBIL, Astral Capitals Private Limited holds 50% in CBIL and Northern India Alcohol Sales Pvt. Ltd. holds 23.79% in CBIL. Mr. Ajay Kumar Swarup holds 82.50% equity in Astral Capitals Private Limited. Northern India Alcohol Sales Private Limited is a company promoted by Mr. Ajay Kumar Swarup wherein Mr. Ajay Kumar Swarup holds 82.06% equity.

Mr. Ajay Swarup, Mrs. Madhavi Swarup (his wife), Mr. Madhav Kumar Swarup, Mrs. Saroj Rani Swarup (his mother), Astral Capitals Private Limited and Northern Alcohol Sales Pvt. Ltd. in combination hold 99.98% of the CBIL's equity.

Board of Directors

Mr. Ajay Kumar Swarup
Mrs. Madhavi Swarup
Mrs. Saroj Rani Swarup

Shareholding

Sl. No.	Name of Shareholder	No. of Shares held	%age Shareholding
1.	Mr. Sharan Singh	10	0.01%
2.	Mr. Satish Kumar	10	0.01%
3.	Mr. Ajay Kumar Swarup	26,160	26.16%
4.	Northern India Alcohol Sales Pvt. Ltd.	23,790	23.79%
5.	Mr. Madhav Kumar Swarup	10	0.01%
6.	Mrs. Saroj Rani Swarup	10	0.01%
7.	Mrs. Madhavi Swarup	10	0.01%
8.	Astral Capitals Private Limited	50,000	50.00%
	TOTAL	1,00,000	100.00%

Financials

For details regarding financials of CBIL please refer to page no. 175 of the Red Herring Prospectus.

Declaration by the Promoters

The Company confirms that the Permanent Account Number, Bank Account number, Company Registration number, and the address of the Registrar of Companies where the company is registered would be submitted to the BSE and NSE at the time of filing of the Red Herring Prospectus with them.

Chand Bagh Investments Limited, its Directors and persons in control of the company have not been declared as wilful defaulters by RBI or any other government authority and there are no violations of securities laws committed by the Promoters in the past nor any such proceedings are pending against the Promoters. Neither Chand Bagh Investments Limited, nor its Directors or persons in control have been prohibited from accessing the capital market under any order or direction passed by SEBI.

Common Pursuits

As on date, there are no common pursuits which may lead to conflict of interest in the business of the Company and other Companies promoted by the Promoter, other than as described in the following paragraphs:

Interest of the Promoters

The Promoters may be deemed to be interested to the extent of shares held by them, their friends or relatives, and benefits arriving from their holding directorship in the company. The Promoters are not interested in any property, if acquired by GSL within two years from the date of the Prospectus. The Promoters are not interested in any loan or advance given by the Company, neither are they beneficiaries of any such loans or advances.

The following companies/firms/ventures, in similar industry, have been either promoted by the promoters of Globus Spirits Ltd, and/or directorship is held in such companies. The promoters of the Globus Spirits Ltd may be deemed to be interested in these companies:

Name of the Concern	Type of Concern	Nature of Interest
Associated Distilleries Ltd. (ADL)	The main objects is to carry on business as manufacturers, and traders of whisky, gin, rum, brandy, country liquor, industrial alcohol, absolute alcohol, spirits etc.	Promoted by Mr. Ajay Kumar Swarup and Mr. Anoop Bishnoi. Besides, Mrs. Madhavi Swarup (Mr. Ajay Swarup's

	ADL has a 40 KLPD distillery to manufacture Rectified Spirit from Molasses. At present, it is manufacturing Country Liquor and selling the same in the State of Haryana. ADL is also manufacturing and selling cheap IMFL products under the brand name Goldee in the state of Haryana and Delhi.	wife), Mr. Madhav Kumar Swarup (his father), Mrs. Saroj Rani Swarup (his mother) together hold 36.11% of the company's equity.
Rajasthan Distilleries Pvt. Ltd.	The main objects is to carry on and manage the business or trades of Whisky, Gin, Beer, Rum, Brandy and general distillers, compounders and rectifiers, merchants, exporters, importers etc.	Promoted by Mr. Ajay Kumar Swarup. 99.80% of the company's equity is held by Northern India Alcohol Sales Pvt. Ltd., a company wherein 97% is held by Mr. Ajay Kumar Swarup, Mrs. Madhavi Swarup and Mrs. Saroj Rani Swarup. Mr. Madhav Kumar Swarup, father of Mr. Ajay Kumar Swarup, is a Director
Northern India Alcohol Sales Pvt. Ltd.	Trading Company The main objects is to carry on the business of traders of Whisky, Gin, Rum, Brandy, Country Liquor, Industrial Alcohol, Absolute Alcohol, other alcohol etc., brokers, merchants, exporters, importers etc. Northern India Alcohol Sales Pvt Ltd was established for marketing and developing IMFL, Country Liquor, Rectified Spirit and Extra-Neutral Alcohol. The main function of the company is marketing and trading. During the past years, the company has done marketing of Rectified Spirit, Extra-Neutral Alcohol and IMFL. At present, the company is not doing any business.	Promoted by Mr. Ajay Kumar Swarup Mr. Ajay Kumar Swarup holds 82.06% equity. Mr. Ajay Kumar Swarup along with Mrs. Madhavi Swarup and Mrs. Saroj Rani Swarup hold 97.01% equity.

For further details on the above, please refer to page no. 174, 179 & 178 of this Red Herring Prospectus.

Payment or benefit to Promoters of the Company

Mr. Ajay Kumar Swarup, being the Managing Director of the Company, draws managerial remuneration as mentioned earlier in the section titled "Management and Organisation" beginning from page no. 124 of this Red Herring Prospectus.

Apart from the above, there have been no payments or benefits to the Promoter of the Company.

Related Party Transactions

For details of related party transactions please refer to page no. 155 of the Red Herring Prospectus.

Relationship between Promoters, Directors & Key Managerial Personnel

There exists no relationship between the Promoters and other Directors and/or Key Managerial Personnel of the Company.

Currency of Presentation

In this Red Herring Prospectus, all references to "Rupees" and "Rs." and "Indian Rupees" are to the legal currency of the Republic of India.

Dividend Policy

Dividends, other than interim dividends, if any, will be declared at the Annual General Meetings of the shareholders of the Company based on the recommendation of the Board of Directors. The Board may, at its discretion, recommend dividend to be paid to the shareholders. Generally, the factors that may be considered by the Board of Directors before making any recommendations for dividend include, but not limited to, the future expansion plans and capital requirements, profits earned during the fiscal year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions. The Board of Directors may also, from time to time, pay interim dividends to the shareholders of the Company.

However, the Company has not declared any dividend in the last five years. The policy of not having declared any dividend in the past few years is not necessarily indicative of the dividend amounts, if any, or the dividend policy, for the future.

SECTION V:

FINANCIAL INFORMATION

To

**The Board of Directors
M/s Globus Spirits Ltd.
(formerly Globus Agronics Limited)
C-631, New Friends Colony
New Delhi-110065**

- A. We have examined the annexed financial information of **Globus Spirits Limited** (formerly Globus Agronics Ltd.) for the five financial years ended 31st March, 2005, 2006, 2007, 2008, 2009 and quarter ended 30th June 2009. The financial information have been extracted from the financial statements of the respective years audited by us and adopted by the Board of Directors of the Company for the purpose of disclosure in the Red Herring Prospectus/Prospectus/Offer Document being issued by the Company in connection with the Public Issue of Equity Shares by the Company.

The said financial information has been prepared in accordance with the requirements of:

- Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 (the "Act"); and
- The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ('the SEBI Guidelines') issued by the Securities and Exchange Board of India Act, 1992 and related amendments, including instructions and clarifications issued by the Securities and Exchange Board of India from time to time; and

We report that the assets and liabilities of the Company as at March 31, 2005, 2006, 2007, 2008, 2009 and June 30 2009 are as set out in Annexure I to this report after making such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and Notes to Accounts as appearing in Annexure III and IV respectively.

We report that the profits of the Company for the financial years ended March 31, 2005, 2006, 2007, 2008, 2009 and period ended June 30 2009 are as set out in Annexure II to this report. These profits have been arrived at after charging all expenses including depreciation and after making such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and Notes to Accounts as appearing in Annexure III and IV respectively to this report.

- B. We have examined the following financial information relating to the Company proposed to be included in the Red Herring Prospectus/Prospectus/Offer Document, as approved by you and annexed to this report;

1. Statement of Cash Flow as appearing in Annexure V to this report;
2. Statement of Secured Loans as appearing in Annexure VI to this report;
3. Statement of Unsecured Loans as appearing in Annexure VII to this report;
4. Statement of Investment as appearing in Annexure VIII to this report;
5. Statement of Sundry Debtors enclosed as Annexure IX to this report;
6. Statement of Loans & Advances as appearing in Annexure X to this report;
7. Statement of Current Liabilities & Provisions as appearing in Annexure XI to this report;
8. Statement of Contingent Liabilities as appearing in Annexure XII to this report;
9. Statement of Other Income as appearing in Annexure XIII to this report;
10. Statement of Accounting Ratios as appearing in Annexure XIV to this Report;
11. Capitalization Statement as at June 30, 2009 as appearing in Annexure XV to this report;
12. Statement of Tax Shelters as appearing in Annexure XVI to this report;
13. Statement of Auditor's Qualification as appearing in Annexure XVII to this report;

- C. a) In our opinion the financial information of the Company as stated in Para A and B above read with Significant Accounting Policies and Notes to Accounts enclosed in Annexure III and IV respectively to this report, after making adjustments /

restatements and regroupings as considered appropriate has been prepared in accordance with Part II of Schedule II of the Act and the SEBI Guidelines.

- b) This report is intended solely for your information and for inclusion in the Offer Document in connection with the specific Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For B. M. CHATRATH & Co.
Chartered Accountants**

**(Umesh C. Pandey)
Partner
Membership No.55252**

Place: **New Delhi**
Date: **01.08.2009**

ANNEXURE-I**STATEMENT OF ASSETS & LIABILITIES AS RESTATED**

The assets and liabilities of the company as at the end of each five financial years ended on 31st March, 2005, 2006, 2007, 2008, 2009 and quarter ended 30th June 2009 are as set out below. The assets and liabilities read with significant accounting policies and notes annexed hereto have been arrived at after making such regroupings as are, in our opinion, appropriate.

Rs. in Lacs

Particulars	As on					
	31.03.2005	31.03.2006	31.03.2007	31.03.2008	31.03.2009	30.06.2009
Fixed Assets:						
Gross Block	2,602.62	3,478.48	4,346.19	6,066.79	8,656.54	8755.57
Less: Depreciation	1,581.50	1,786.87	2,060.46	2,449.97	3,023.46	3157.81
Net Block	1,021.12	1,691.61	2,285.73	3,616.82	5,633.08	5597.76
Less: Revaluation Reserve	-	-	-	-	-	-
Net Block after adjustment for Revaluation Reserve	1,021.12	1,691.61	2,285.73	3,616.82	5,633.08	5597.76
Capital Work In Progress	202.83	13.09	169.16	379.91	39.57	39.57
Total Fixed Assets (A)	1,223.95	1,704.70	2,454.89	3,996.73	5,672.65	5637.33
Investments (B)	2.59	2.59	2.59	2.59	2.59	2.59
Current Assets, Loan & Advances:						
Interest accrued but not due	0.93	1.06	0.93	3.29	11.06	11.05
Inventories	532.25	443.09	989.08	1542.47	2,332.55	2441.68
Sundry Debtors	425.90	511.49	999.04	2,444.50	2,584.32	2917.06
Cash & Bank Balances	31.85	58.26	175.01	168.16	238.90	352.09
Loan & Advances & others	482.47	358.51	494.20	1071.59	1,266.54	1566.84
Deferred Revenue-Brand Promotion Exps	-	-	88.37	70.70	53.02	48.60
Total Current Assets, Loan & Advances (C)	1,473.40	1,372.41	2,746.63	5,300.71	6,486.39	7337.32
Liabilities & Provisions:						
Secured Loans	255.62	241.62	711.59	1310.86	1,636.67	1430.01
Unsecured Loans	126.14	53.97	143.38	159.04	94.02	57.18
Deferred Tax Liability	64.78	105.79	271.34	448.74	761.12	761.12
Current Liabilities and Provisions	1,093.97	994.78	1,528.54	2,697.77	3,692.84	4074.31
Total Liabilities & Provisions (D)	1,540.51	1,396.16	2,654.85	4,616.41	6,184.65	6322.62
Net Worth (A+B+C-D)	1,159.43	1,683.54	2,549.26	4,683.62	5,976.98	6654.62
Represented by Share Capital (I)	768.85	768.85	768.85	1,225.77	1,225.77	1225.77
Reserves	391.76	915.64	1,781.16	3,458.40	4,751.55	5429.18
Less: Revaluation Reserve	-	-	-	-	-	-
Reserves (Net of Revaluation Reserves) II	391.76	915.64	1,781.16	3,458.40	5,977.32	6654.95
Less Miscellaneous Expenditure III	1.18	0.95	0.75	0.55	0.34	0.33
Net Worth (I+II-III)	1,159.43	1,683.54	2,549.26	4,683.62	5,976.98	6654.62

ANNEXURE-II
STATEMENT OF PROFIT & LOSSES AS RESTATED

Rs. in Lacs

Particulars	For the Year/Period Ended					
	31-Mar-05	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09	30-Jun-09
INCOME						
Turnover:						
Sales	6,795.65	8,683.41	11,666.70	23,526.01	28,140.17	9,234.95
Gross Sale	6,795.65	8,683.41	11,666.70	23,526.01	28,140.17	9,234.95
Less:						
Excise Duty Consumed (Note-1)	-	-	467.17	7,833.64	8,426.87	2,924.11
Net Sales (i)	6,795.65	8,683.41	11,199.53	15,692.37	19,713.30	6,310.84
Other Income	14.75	16.61	49.21	276.36	266.12	72.97
Sub-Total (ii)	14.75	16.61	49.21	276.36	266.12	72.97
Increase (Decrease) in Inventories	212.56	(62.47)	123.50	188.73	215.98	100.10
TOTAL INCOME (A)	7,022.96	8,637.55	11,372.24	16,157.46	20,195.40	6,483.91
EXPENDITURE						
Raw Material & Packing Material Consumed	4,316.38	5,593.92	7,167.89	9,844.45	12,633.37	3,937.06
Staff Costs	86.20	138.58	201.65	257.99	310.46	100.31
Manufacturing Expenses	999.77	1,539.71	2,005.28	2,327.18	3,021.17	820.48
Administrative & Selling Expenses (Note-2)	1,413.12	499.90	423.34	1,256.74	1,349.03	592.05
Interest & Financial Charges	20.24	40.29	53.29	106.40	296.22	57.61
Depreciation	118.71	205.37	273.83	394.69	573.48	169.34
Preliminary/Deferred revenue Expenses Written Off	0.57	0.22	22.30	17.87	17.88	4.43
TOTAL EXPENDITURE (B)	6,954.99	8,017.99	10,147.58	14,205.32	18,201.61	5,681.28
Net Profit before tax and Extra-ordinary Items (A-B)	67.97	619.56	1,224.66	1,952.14	1,993.79	802.63
Add: Income Tax Refund / MAT credit entitlement	-	-	29.99	-	-	-
Less:						
Provision for Current Tax	3.74	51.90	220.00	504.49	382.70	125.00
Provision for Deferred Tax	39.65	41.01	165.55	177.40	312.38	-
Income Tax/Exp. for Earlier Year/FBT	0.64	2.77	3.58	6.09	5.56	-
Net Profit After Tax and Extra-Ordinary items	23.94	523.88	865.52	1,264.16	1,293.15	677.63

Note-1 – Excise Duty was not the liability of the Company till the year 2005-06 rather it was being paid by the purchaser directly to the Govt. Since 2006-07 the liability for payment of excise duty was imposed on the company and further during 2007-08 & 2008-09 the company also started IMFL production.

Note-2 – During the year 2003-04 and 2004-05 the Administrative and Selling expenses was higher as it includes the amount paid as royalty for bottling under franchise agreement with TDV (a UB Group co.). No such tie-up was there in the year 2005-06 and 2006-07. Again the co. has entered into bottling tie-up agreement with BDA Pvt. Ltd. for bottling their product during the year 2007-08, 2008-09 & 2009-10 resulting in higher Administrative & Selling expenses.

ANNEXURE-III SIGNIFICANT ACCOUNTING POLICIES

A. SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention in accordance with the Accounting standards specified to be mandatory by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

2. FIXED ASSETS (including Intangible Asset)

Fixed Assets and Intangible Assets are stated at cost less accumulated depreciation less impairment, if any. Cost of tangible fixed assets and intangible assets comprises the purchase price and any attributable cost of bringing the asset to working condition for its intended use. Insurance spares are capitalized with the related mother asset from the date such asset is put to use.

3. DEPRECIATION

The company has charged the depreciation under the W.D.V. method in accordance with the Companies Act, 1956.

4. INVENTORY

The basis of determining the cost of the various categories of inventories is as follows

Stores, Spares and Fuel	: Average cost
Raw material & Packing Material	: Average cost
Finished Goods	: Valued at cost or market price which ever is less

5. INVESTMENTS

Investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution has not been made in the value of the investments.

6. REVENUE RECOGNITION

1. Revenue in respect of domestic sale of the goods and scrap material is recognized at the point of dispatch to the customers from warehouse
2. Sales are net of Sales return
3. Investment income: Income from investments is accounted for in the year in which right to receive such income is established

7. RETIREMENT BENEFITS

Provisions for contribution to retirement benefits scheme are made as follows

- a) Provident fund on actual liability basis
- b) Provision for Gratuity and Leave encashment has been provided for as per actuary's valuation method up to 30th June, 2009 amounting to Rs.17,11,272/-.

8. EARNING PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company has not issued any potential equity shares, and accordingly, the basic earnings per share and diluted earnings per share are the same.

9. IMPAIRMENT OF ASSETS

At each balance sheet an assessment is made whether any indication exists that an asset has been impaired. If any such indication exists, an impairment loss, i.e., the amount by which the carrying amount is excess against Recoverable amount, is provided in the books of accounts.

B. CHANGES IN ACCOUNTING POLICIES IN THE YEARS/PERIODS COVERED IN THE RESTATED FINANCIALS

There is no change in significant accounting policies during the reporting period except as and when Accounting Standards issued by the Institute of Chartered Accountants of India were made applicable on the relevant dates.

ANNEXURE-IV NOTES TO ACCOUNTS

1. In the opinion of the Board, the value of Current Assets, Loans & Advances in the ordinary course of business will not be less than the value at which they have been stated in the Balance sheet.
2. Balances of Debtor & creditors and Advances to and from parties are subject to Reconciliation & Confirmation.
3. The amount falling due within one year in respect of Secured Loans is Rs.92,00,000/-
4. The profit & loss account and Balance sheet comply with accounting standards referred to in section 211(3C) of the companies Act 1956.
5. Accounting Standard (AS) -17 on "Segment Reporting " is not applicable in case of company because company is involved in only one type of product, i.e., Industrial & Potable Alcohol.
6. There is no amount due to small-scale industries over Rs.1 lac shown under the head "sundry creditors".
7. "Deferred revenue- Brand Promotion Expenses" appearing in the Balance Sheet (Annexure – I) are the expenditure incurred on promoting company's new IMFL brands already launched during the year 2007 and which will give perpetual benefit to the company and thus it is shown under the head Deferred revenue- Brand Promotion Expenses, which will be written off in five years.
8. In accordance with the Accounting Standards (AS-18) on "Related Party Disclosures", where control exists and where key management personnel are able to exercise significant influence and, where transactions have taken place during the year, along with description of relationship as identified, are given below:-

RELATED PARTIES DISCLOSURES

DETAILS OF RELATED PARTIES - AS PER AS 18

Nature of relationship	Name of related party	Remarks
Enterprises in which the Key Management Persons have total control	M/s Associated Distilleries Limited (ADL)	Transactions incurred during 2004-05, 2005-06, 2006-07, 2007-08, 2008-09 & quarter ended June 2009.
	M/s Rambagh Estate Pvt. Ltd.	(Transaction occurred during 2006-07, 2007-08, 2008-09 & quarter ended June 2009.)
	M/s SVP Industries Ltd.	(Transaction occurred only during 2005-06 and not a related party during 2006-07 and thereafter)

	M/s Chandbagh Investments Ltd.	(Holding company) (However no transaction has been entered into since last 3 years)	
Key Management Personnel	Mr Ajay Kumar Swarup	Managing Director since 01/12/2006	
	Mr Ajay Kumar Swarup Mr. Ashok Kumar	President up to 30/11/2006 Whole Time Director upto 20/02/07	
Relatives of Key Management Personnel:	Name of Key Management Person	Name of Relative	Relationship
	NIL	NIL	NIL

Related Party Transactions for year ended on 30th June 2009

(Rs. in lacs)

Particulars	Key Management Personal	Relative of Key Management Personnel	Enterprises Significantly influenced by Key Management Personnel and Relatives
Transactions			
Salary & Other Allowances	6.27*	-	-
Sales of Goods to ADL	-	-	16.08
Purchase of Raw Material, Goods from ADL	-	-	60.77
Other Adjustments with ADL Expenses incurred on behalf of ADL for selling and bottling company's products....etc.	-	-	16.33
Lease rental transaction with Rambagh Estates Pvt. Ltd.	-	-	3.16
Outstanding:			
Amount recoverable from ADL included in Loans and Advances	-	-	105.30
Amount Recoverable from ADL included in Sundry Debtors	-	-	293.57

*The above amount was paid to Mr Ajay Kumar Swarup

Related Party Transactions for year ended on 31st March 2009

(Rs. in lacs)

Particulars	Key Management Personal	Relative of Key Management Personnel	Enterprises Significantly influenced by Key Management Personnel and Relatives
Transactions			
Salary & Other Allowances	25.08*	-	-
Sales of Goods to ADL	-	-	112.72
Purchase of Raw Material, Goods from ADL	-	-	61.22
Other Adjustments with ADL Expenses incurred on behalf of ADL for selling and bottling company's products....etc.	-	-	53.05
Lease rental transaction with Rambagh Estates Pvt. Ltd.	-	-	16.32

Particulars	Key Management Personal	Relative of Key Management Personnel	Enterprises Significantly influenced by Key Management Personnel and Relatives
Outstanding:			
Amount recoverable from ADL included in Loans and Advances	-	-	105.30
Amount Recoverable from ADL included in Sundry Debtors	-	-	321.93

*The above amount was paid to Mr Ajay Kumar Swarup

Related Party Transactions for year ended on 31st March 2008

(Rs. in lacs)

Particulars	Key Management Personal	Relative of Key Management Personnel	Enterprises Significantly influenced by Key Management Personnel and Relatives
Transactions			
Salary & Other Allowances	25.08*	-	
Sales of Goods to ADL			55.80
Purchase of Raw Material, Goods from ADL			203.06
Other Adjustments with ADL Expenses incurred on behalf of ADL for selling and bottling company's products....etc.			136.17
Lease rental transaction with Rambagh Estates Pvt. Ltd.			15.93
Outstanding:			
Amount recoverable from ADL included in Loans and Advances			97.74
Amount Recoverable from ADL included in Sundry Debtors			224.94

*The above amount was paid to Mr Ajay Kumar Swarup

Related Party Transactions for the year ended on 31st March 2007

(Rs. in lacs)

Particulars	Key Management Personal	Relative of Key Management Personnel	Enterprises Significantly influenced by Key Management Personnel and Relatives
Transactions			
Salary & Other Allowances	6.80*	-	
Sales of Goods to ADL			191.63
Purchase of Raw Material, Goods from ADL			33.37
Other Transaction with ADL Expenses incurred on behalf of ADL for selling and bottling			113.37

Particulars	Key Management Personal	Relative of Key Management Personnel	Enterprises Significantly influenced by Key Management Personnel and Relatives
company's products			
Lease rental transaction with Rambagh Estates Pvt. Ltd.			2.72
Outstanding			
Amount recoverable from ADL included in Loans and Advances			75.33
Amount Recoverable from ADL included in Sundry Debtors			258.44

* The above amount was paid to Mr Ajay Kumar Swarup.

Related Party Transaction for year ended as on 31st March 2006

(Rs. in lacs)

Particulars	Key Management Personal	Relative of Key Management Personnel	Enterprises Significantly influenced by Key Management Personnel and Relatives
Transactions			
Salary & Other Allowances	8.44*	-	
Sales of Goods to ADL			361.89
Purchase of Raw Material, Goods from SVP Industries Ltd			24.46
Other Transaction with Associates			NIL
Outstanding			
Amount payable to SVP Industries Ltd			2.67
Amount recoverable from ADL Included in Loans & Advances			53.88
Amount recoverable from ADL included in S. Debtors			8.25

* The above amount was paid to Mr Ajay Kumar Swarup

Related Party Transaction for year ended as on 31st March 2005

(Rs. Lacs)

Particulars	Key Management Personal	Relative of Key Management Personnel	Enterprises Significantly influenced by Key Management Personnel and Relatives
Transactions			
Salary & Other Allowances	1.09*	-	
Sales of Goods to Associates			NIL
Purchase of Raw Material, Goods from ADL			76.79
Other Transaction with			NIL

Particulars	Key Management Personal	Relative of Key Management Personnel	Enterprises Significantly influenced by Key Management Personnel and Relatives
Associates			
Outstanding			
Amount recoverable from ADL included in Loans & Advances			60.78

* The above amount was paid to Mr Ashok Kumar whole time Director of the company though he was not having any relationship with the Promoters

9. Taxation:
Current tax for the period ending 30/06/2009 is the provision made as per the normal income tax rate.
10. The indicators listed in paragraph 8 of Accounting Standard (AS)-28 "impairment of assets" issued by Institute of Chartered Accountants of India have been examined and on such examination, it has been found that none of the indicators are present in the case of the Company. There is no indication of a potential impairment loss, so estimation of recoverable amount has not been made.
11. Insurance claims which are of not significant value are accounted for on receipt basis.
12. Figures in the Restated Summary Statements have been appropriately regrouped to confirm with the reclassification made in the subsequent years.
13. Figures has been rounded off to the nearest rupee.
14. Information required under paragraph 3 to 4-D of part II of Schedule VI of the Companies Act, 1956

A	Licensed and Installed Capacity and Production:													
	BL In Lac Per Annum		2004-05		2005-06		2006-07		2007-08		2008-09		June 09	
	Licensed Capacity (Rectified Spirit)		288.00		288.00		288.00		288.00		288.00		288.00	
	Installed Capacity (Rectified Spirit)		288.00		288.00		288.00		288.00		288.00		288.00	
	(Being a technical matter, not verified by the Auditors).													
B	Quantitative Details													
			2004-05		2005-06		2006-07		2007-08		2008-09		June 09	
			Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
			(in lac)	(Rs. in lacs)	(in lac)	(Rs. in lacs)	(in lac)	(Rs. in lacs)	(in lac)	(Rs. in lacs)	(in lac)	(Rs. in lacs)	(in lac)	(Rs. in lacs)
a)	Production													
	Industrial Alcohol (Beh)	BL	102.86		90.84	-	107.97	-	118.13		137.34		38.99	
	Industrial Alcohol (Sam)	PL	20.62		99.20		187.49		147.41		156.59		54.39	
	ENA	BL	59.97		52.06	-	40.28	-	50.02		49.88		14.83	
	Country Liquor (Sam)	PL	24.59		71.82	-	111.84	-	148.00		133.59		36.95	
	Country Liquor (Beh)	Cases	3.25		10.33		17.25		14.46		19.98		6.51	
	IMFL (Beh)	Cases	4.59						6.01		6.70		2.16	
	IMFL (Sam)	PL							-		3.00		0.88	
	IMFL (U.P. & other Units)	Cases	-						0.21		2.64		0.31	
RTD Bottled	Cases	0.06												
b)	Opening Stock													
	Industrial Alcohol (Beh)	BL	3.25	50.00	1.82	51.67	1.18	30.89	1.16	31.03	6.20	165.20	7.33	207.22

	Industrial Alcohol (Sam)	PL	0.77	9.88	2.99	34.64	6.97	124.71	14.48	207.99	16.06	223.37	10.44	184.58
	ENA	BL	1.22	20.92	0.63	19.09	0.71	20.12	1.08	30.55	1.25	36.41	2.18	68.18
	Blending Stock CL (Beh)	BL	0.41	7.97	0.52	5.44	0.57	10.42	1.39	13.89	1.74	17.73	1.75	18.94
	IMFL Blend- (Beh)	BL	0.65	6.18	0.78	11.61	-	-					0.08	1.21
	IMFL Malt Blend-(Beh)	BL											0.02	2.08
	IMFL Blend- (Sam)	PL											0.78	16.17
	IMFL Blend (U.P.)	BL									0.34	3.82	0.20	7.31
	IMFL Bottled Stock-(Beh)	Cases	0.18	42.88	0.37	110.53	-	-			0.01	1.87	0.02	5.95
	IMFL Bottled Stock-(Sam)	PL											0.69	22.58
	IMFL Bottled Stock (U.P. & Other Units)	Cases									0.07	18.63	0.30	123.68
	Blending Stock CL-(Sam)	PL			0.38	7.73	0.56	15.39	2.30	33.60	4.03	57.94	4.05	73.04
	CL Stock - Delhi Godown	Cases	-	-	-	-	-	-	0.22	33.18	0.40	51.68	0.01	0.94
	CL-Bottled Stock - Behror	Cases			0.43	94.57	0.28	48.56	0.19	37.53	0.10	19.98	0.15	29.69
	CL-Bottled Stock-Samalkha	PL	0.10	2.04	0.43	15.32	1.37	43.50	1.09	29.33	0.38	9.99	2.02	61.03
	RTD Bottle Stock	Cases	0.02	4.45	0.01	6.29	0.01	0.81	0.01	0.81	0.01	0.02	0.01	0.02
	Molasses	QTL	0.07	18.49	0.02	9.10	0.08	40.78	0.28	135.06	0.49	238.21	0.06	33.76
	Bajra/ Rice Flour	QTL	0.01	4.63	0.03	21.13	0.01	5.11	0.28	212.29	0.34	248.97	0.71	612.40
	Raw Material Others			13.74				21.14		15.19		32.21		137.71
c)	Closing Stock													
	Raw Material													
	Molasses	QTL	0.02	9.10	0.08	40.78	0.28	135.06	0.49	238.21	0.06	33.76	0.01	6.81
	Bajra/ Rice Flour	QTL	0.03	21.13	0.01	5.11	0.28	212.29	0.34	248.97	0.71	612.40	0.77	780.59
	Raw Material (Others)					21.14		15.19				137.71		99.25
	BLEND													
	Blending Stock- C/L (Sam)	PL	0.38	7.73	0.57	10.42	2.30	33.60	4.03	57.94	4.05	73.04	3.96	76.49
	C/L Blend (Behror)	BL	0.52	5.44	0.56	15.39	1.39	13.89	1.73	17.73	1.75	18.94	2.22	28.10
	IMFL Blend- (Behror)	BL	0.78	11.61							0.08	1.21	-	-
	IMFL Malt Blend-(Beh)	BL									0.02	2.08	0.02	2.08
	IMFL Blend- (Sam)	PL									0.78	16.17	0.68	14.59
	IMFL Blend (U.P.)	BL			-	-	-	-	0.34	3.82	0.20	7.31	0.16	5.17
	Finished Goods													
	Industrial Alcohol (Beh)	BL	1.82	51.67	1.18	30.89	1.16	31.03	6.20	165.20	7.33	207.22	6.49	216.89
	Industrial Alcohol (Sam)	PL	2.99	34.64	6.97	124.71	14.48	207.99	16.06	223.37	10.43	184.58	10.45	198.74
	ENA	BL	0.63	19.10	0.71	20.12	1.08	30.55	1.25	36.41	2.18	68.18	3.32	117.47
	CL-Bottled Stock (Sam)	PL	0.43	15.32	1.37	43.50	1.09	29.33	0.38	9.99	2.02	61.03	0.21	6.51
	CL-Bottled at Behror	Cases	0.43	94.57	0.28	48.56	0.19	37.53	0.10	19.98	0.15	29.69	0.19	44.03
	IMFL Bottled Stock (Beh.)	Cases	0.37	110.53					0.01	1.87	0.02	5.95	0.02	6.49
	IMFL Bottled Stock (U.P. & Other Units)	Cases	-	-	-	-	-	-	0.07	18.63	0.30	123.68	0.24	105.87
	CL Stock - Delhi Godown	Cases	-	-	-	-	0.22	33.18	0.40	51.68	0.01	0.94	0.49	73.52
	IMFL-Bottled (Sam)	PL	-	-	-	-	-	-			0.68	22.58	0.79	26.75
	RTD Bottle Stock	Cases	0.01	6.29	0.00	0.81	0.00	0.81	-	0.02	-	0.02	-	0.02
d)	Sales													
	Industrial Alcohol (Beh)	BL	31.81	889.48	21.19	474.50	22.36	393.11	21.43	602.78	25.94	876.20	4.68	201.52
	Industrial Alcohol (Sam)	PL	-		36.91	661.61	66.42	1197.56	92.97	1546.69	108.68	2387.92	31.96	700.89

	ENA	BL	44.93	1477.37	14.06	1080.81	36.71	1059.17	46.85	1177.44	44.05	1420.29	12.29	392.71
	Bottled – IMFL (Sam)	PL									2.31	142.69	0.78	82.98
	Bottled – IMFL (Beh)	Cases	4.39	2852.49	0.75	736.37	-	-	6.01	9700.86	6.68	10876.75	2.17	3566.04
	Bottled - IMFL (Other Units)	Cases	0	0	-	-	-	-	0.15	306.87	2.40	1147.96	0.37	293.07
	Bottled- Country Liquor(Sam)	PL	24.24	891.11	70.79	2731.33	112.06	4844.78	91.89	4350.08	77.78	3557.64	24.67	1470.85
	C/L- Delhi	Cases	-	-	-	-	-	-	12.43	2012.26	12.01	1867.56	3.13	507.97
	C/L-Bottled Behror	Cases	2.81	648.91	1.01	2977.33	17.26	3654.73	14.53	3305.69	19.93	4826.31	6.48	1705.81
	Bottled-RTD	Cases	0.06	36.28	0.01	3.17	-	-						
	Sales (others)			14.75		18.29		517.35		523.34		1036.85		313.10
e)	Raw Material consumed													
	ENA Consumed	BL												
	Ruskat	QTL												
	Molasses	QTL	2.00	945.61	1.86	884.53	3.35	1610.18	3.19	1200.49	1.70	953.10	0.05	26.35
	Bajra/ Rice Flour (Beh)	QTL	2.12	1600.08	3.05	2145.76	3.48	2660.88	3.36	2445.25	3.39	2751.44	0.92	909.06
	Bajra/ Rice Flour (Sam)	QTL									1.21	1117.05	0.80	820.82
	Rectified Spirit (CL) (Beh)	BL	5.20	238.72	1.56	29.46	0.12	2.88	4.59	113.66	0.96	36.63	-	-
	Rectified Spirit (CL) (Other Units)	BL										361.82		25.00
	Rectified Spirit (Sam)	PL			-	-	1.85	32.26	99.44	1395.92	86.94	1742.02	17.09	329.12
	Rectified Spirit (IMFL)	BL			13.97	239.77	-	-						
	Rectified Spirit (IMFL) BDA	BL	-	-	-	-	-	-	23.44	683.19	25.41	941.07	8.13	289.18
	Rectified Spirit (IMFL) UP	BL	-	-	-	-	-	-	0.85	19.33	0.57	18.07	-	-
	Raw Material Others			42.99		43.81		24.34		92.02		414.61		44.36
	Total			2827.40		3343.33		4330.55		5949.86		8335.81		2443.89
f)	Value of Imports Calculated on CIF basis			NIL		NIL		NIL		NIL		NIL		NIL
g)	Outflow in Foreign Currency			NIL		NIL		NIL		NIL		NIL		NIL
h)	Inflow in Foreign Currency			NIL		NIL		NIL		NIL		NIL		NIL

**ANNEXURE-V
STATEMENT OF CASH FLOW**

Rs. in Lacs

	AS ON					
PARTICULARS	31-Mar-05	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09	30-Jun-09
(A) CASH FLOW FROM OPERATING ACTIVITIES:						
Net Profit/(Loss) before Tax, Adjustment for prior period and extra ordinary activities	67.32	616.80	1221.08	1952.14	1993.79	802.63
Adjustment for:						
Depreciation	118.71	205.37	273.83	394.69	573.48	169.34
Interest	20.24	40.29	53.29	106.40	296.22	57.61
Dividend Income	(0.04)	0.00	(0.04)	0.00	0.00	0.00
Loss / (profit) on Sale of Fixed assets	0.12	0.00	(0.07)	(0.40)	0.00	(6.93)
Other Income	(14.82)	(16.61)	(42.78)	(242.79)	(245.83)	(60.80)
Preliminary & Other Expenses written off	0.57	0.22	22.30	17.88	17.88	4.43
Interest Received	0.00	0.00	(6.32)	(33.17)	(20.29)	(5.23)
Operating Profit before Working Capital Changes-	192.10	846.07	1521.29	2194.75	2615.25	961.04
Adjustment for:-						
Inventories	(265.01)	89.17	(545.99)	(553.40)	(790.08)	(109.13)
Sundry Debtors	124.33	(85.59)	(487.56)	(1445.45)	(139.83)	(332.74)
Other Current Assets	(221.36)	123.82	(135.56)	(579.75)	(202.71)	(300.30)
Current Liabilities & other payable	263.06	(151.09)	343.75	658.65	606.81	256.47
Cash Generated from Operations	93.12	822.38	695.93	274.80	2089.44	475.35
Cash Generated before Prior Year Adjustment-	93.12	822.38	695.93	274.80	2089.44	475.35
NET CASH FROM OPERATING ACTIVITIES (A)	93.12	822.38	695.93	274.80	2089.44	475.35
(B) CASH FLOW FROM INVESTING ACTIVITIES:						
Addition in Fixed Assets	(371.64)	(686.12)	(1024.66)	(1937.47)	(2249.40)	(144.22)
Increase In Deferred Revenue Expenditure	0.00	0.00	(110.46)	0.00	0.00	0.00
Sale Proceeds of Fixed Assets	0.40	0.00	0.70	1.35	0.00	17.15
Misc. Income	14.82	16.61	42.78	242.79	245.83	60.80
Interest Received	0.00	0.00	6.32	33.17	20.29	5.23
Dividend Received	0.04	0.00	0.04	0.00	0.00	0.00
NET CASH USED IN INVESTING OPERATING ACTIVITIES (B)	(356.38)	(669.51)	(1085.28)	(1660.16)	(1983.28)	(61.04)
(C) CASH FLOW FROM FINANCING ACTIVITIES:						

	AS ON					
PARTICULARS	31-Mar-05	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09	30-Jun-09
Interest Paid	(20.24)	(40.29)	(53.29)	(106.40)	(296.22)	(57.61)
Increase in Secured Loan	190.83	(14.00)	469.98	599.27	325.81	(206.67)
Increase in Unsecured Loan	76.75	(72.17)	89.41	15.65	(65.01)	(36.84)
Proceeds from issue of share capital	0.00	0.00	0.00	870.00	0.00	0.00
NET CASH USED IN FINANCING ACTIVITIES (C)	247.34	(126.46)	506.10	1378.52	(35.42)	(301.12)
Net Increase/Decrease in Cash & Cash Equivalents (A+B+C)	(15.92)	26.41	116.75	(6.84)	70.74	113.19
Cash & Cash Equivalents at the beginning of the year	47.78	31.85	58.26	175.01	168.16	238.90
Cash & Cash Equivalents at the closing of the year	31.85	58.26	175.01	168.16	238.90	352.09

ANNEXURE-VI
STATEMENT OF SECURED LOAN

(Rs. in lacs)

PARTICULARS	As On					
	31-Mar-05	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09	30-Jun-09
Term Loan						
From State Bank of India	---	---	380.67	286.11	193.13	169.81
From Punjab National Bank	117.90	107.90	---	---	---	---
Sub-Total (a)	117.90	107.90	380.67	286.11	193.13	169.81
Working Capital Facility (Cash Credit)						
From State Bank of India	---	---	291.81	973.58	1411.42	1234.65
From Punjab National Bank	99.17	99.98	---	---	---	---
Sub-Total (b)	99.17	99.98	291.81	973.58	1411.42	1234.65
Vehicle Loans	38.55	33.74	39.11	51.17	32.12	25.54
Sub-Total (c)	38.55	33.74	39.11	51.17	32.12	25.54
TOTAL (a+b+c)	255.62	241.62	711.59	1310.86	1636.67	1430.00

STATEMENT OF SECURED LOAN AS AT 30th JUNE 2009

(Rs. in Lacs)

Particulars of Loans	Bank	Sanctioned Amount	Outstanding	Rate of Interest P.A.	Repayment of Terms	Securities offered
I. FUND BASED LIMITS						
A. Term Loans	State Bank of India	283.00	169.81	(SBAR + 2.50%) at monthly rest for 73.00 lacs	Rs.51ac per quarter.	1. Primarily secured by all the fixed assets of the company including EM of factory Land & Building at Samalkha & Behror. 2. Collaterally secured by all current assets of the company. 3. Personally guaranteed by sh. Madhav K. Swarup and Sh. Ajay K. Swarup and corporate Guarantee given by M/s Chandbagh Investments Ltd.
				SBAR at monthly rest for 210.00lacs	Rs.18lac per quarter & Rs.12lac in the last quarter.	
B. Working Capital Facility (CC & SLC OF RS.150.00LA CS))	State Bank of India	1750.00	1234.65	0.50% below SBAR at monthly rest for 1600.00 lacs	Repayable on demand	Primarily secured by hypothecation of all the current assets of the company and collaterally secured by all the fixed assets of the company also guaranteed by Sh. Madhav K. Swarup and Sh. Ajay K. Swarup and M/s Chandbagh Investments Ltd.
				0.50% above SBAR at monthly rest for 150.00 lacs		
C.Hire Purchase Loans	ICICI Bank	6.19	1.59	9.0%	60 monthly instalments	hypothecation of specified vehicles
	ICICI Bank	6.08	3.79	12.1%	60 monthly instalments	hypothecation of specified vehicles
	ICICI Bank	6.07	3.79	12.4%	60 monthly instalments	hypothecation of specified vehicles
	ICICI Bank	25.00	10.71	13.0%	36 monthly instalments	hypothecation of specified vehicles
	ICICI Bank	4.25	3.21	13.90%	60 monthly instalments	hypothecation of specified vehicles
	Reliance Consumer Finance Ltd.	3.43	2.45	13.40%	59 monthly instalments	hypothecation of specified vehicles
GRAND TOTAL			1430.00			

II. NON FUND BASED LIMITS

Particulars of Loans	Bank	Sanctioned Amount	Outstanding	Rate of Interest P.A.	Repayment of Terms	Securities offered
Bank Guarantee Letters of Credit (With fully interchangeability between LC & BG)	State Bank of India	50.00	NIL	Margin 15%	18 months	Primarily secured by hypothecation of all the current assets of the company and collaterally secured by all the fixed assets of the company also
	State Bank of India	150.00	NIL	Margin 15%	90 days	

						guaranteed by Sh. Madhav K. Swarup and Sh. Ajay K. Swarup and M/s Chandbagh Investments Ltd.
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ANNEXURE-VII

STATEMENT OF UNSECURED LOANS

Rs. in Lacs

Particulars	31-Mar-05	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09	30-Jun-09
Inter Corporate Deposits	47.66	48.45	17.38	17.38	17.38	17.38
From Others	78.48	5.52	-	-	-	-
Global Trade Finance Ltd	-	-	126.00	141.65	38.32	-
ABN AMRO BANK	-	-	-	-	38.32	39.79
TOTAL	126.14	53.97	143.38	159.04	94.02	57.17
Rate of Interest						
a) FOR ICD & Others	Bearing no interest	Bearing no interest	Bearing no interest	Bearing no interest	Bearing no interest	Bearing no interest
b) Global Trade Finance Ltd. (Factoring facility)	NA	NA	11%	11%	11%	NA
c) ABN Amro Bank	NA	NA	NA	NA	13%	15.75%
Repayment Terms						
a) FOR ICD & Others	Payable on Demand	Payable on Demand	Payable on Demand	Payable on Demand	Payable on Demand	Payable on Demand
b) Global Trade Finance Ltd (Factoring facility)	NA	NA	Payable on end of Bill discounted Period	Payable on end of Bill discounted Period	Payable on end of Bill discounted Period	NA
c) ABN Amro Bank	NA	NA	NA	NA	Payable on Demand	Payable on Demand

ANNEXURE-VIII

STATEMENT OF INVESTMENTS

Rs. In Lacs

Sl. No	QUOTED INVESTMENT	31-Mar-05	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09	30-Jun-09
A.	INVESTMENT IN MUTUAL FUND						
1	Units in Kothari Pioneer FMCG Funds	0.17	0.17	0.17	0.17	0.17	0.17
B.	INVESTMENT IN EQUITY SHARES						
	IN COMPANIES						
1	Burroughs		0.18	0.18	0.18	0.18	0.18

Sl. No	QUOTED INVESTMENT	31-Mar-05	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09	30-Jun-09
	Welcome (India) Ltd.	0.18					
	TOTAL (A+B)	0.35	0.35	0.35	0.35	0.35	0.35
C	UNQUOTED INVESTMENTS	2.24	2.24	2.24	2.24	2.24	2.24
	TOTAL (A+B+C)	2.59	2.59	2.59	2.59	2.59	2.59

ANNEXURE-IX

STATEMENT OF SUNDRY DEBTORS

Rs. in Lacs

Particulars as at	31-Mar-05	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09	30-Jun-09
Unsecured (Considered Good unless otherwise stated)						
<u>Less than 6 months</u>						
Considered Good - from associated co.	-	8.25	258.44	224.94	321.93	293.57
Considered Good - from others	337.74	358.93	573.37	2,070.17	2,165.55	2538.22
<u>More than 6 months</u>						
Considered Good - from associated co.	-	-	-	-	-	-
Considered Good - from others	79.05	125.11	161.29	142.94	91.47	79.90
Considered Doubtful	9.11	19.20	5.94	6.44	5.37	5.37
Less: Provision for Doubtful debts	-	-	-	-	-	-
Total	425.90	511.49	999.04	2,444.49	2,584.32	2,917.06

ANNEXURE-X

STATEMENT OF LOAN & ADVANCES

Rs. in Lacs

Particulars	31-Mar-05	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09	30-Jun-09
Considered Good unless otherwise stated						
Unsecured, Advances Recoverable in cash or in kind:						
Considered Good-Others	359.23	222.98	289.89	606.45	764.50	938.90
Considered Good-Associated Company	60.78	53.88	75.33	97.74	105.30	105.30
Other Recoverable	12.60	10.01	10.01	10.01	10.01	10.01
Security & Other Deposits	31.46	54.28	70.41	164.86	328.89	297.20
Advance duty, Tax & TDS	18.40	17.35	48.56	192.53	57.84	215.43
Total	482.47	358.51	494.20	1071.59	1266.54	1,566.84

ANNEXURE-XI
STATEMENT OF CURRENT LIABILITIES & PROVISIONS

Rs. in lacs

Particulars as at	31-Mar-05	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09	30-Jun-09
Sundry Creditors	945.89	780.28	1,040.37	1,914.05	2,642.23	2817.29
Sundry Creditors of Associated Company	-	2.67	-	-	-	-
Creditors for capital goods	25.30	37.89	122.61	117.03	98.18	84.68
Advances from Customers	7.81	14.23	74.18	27.69	73.53	188.89
Other Liabilities including provisions	114.97	159.71	291.38	638.99	878.90	983.45
TOTAL	1,093.97	994.78	1,528.54	2,697.77	3,692.84	4074.31

ANNEXURE-XII
STATEMENT OF CONTINGENT LIABILITIES

(Rs. in Lacs)

Particulars as at	31-Mar-05	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09	30-Jun-09
Bank Guarantee	1.10	8.28	-	-	-	-
Income Tax matter in appeal	-	66.69	-	-	-	-
Total	1.10	74.97	-	-	-	-

ANNEXURE -XIII
STATEMENT OF OTHER INCOME

Rs. In lacs

Particulars	31-Mar-05	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09	30-Jun-09	Remarks
OTHER INCOME							
Interest received on bank FDRs	-	-	6.32	33.17	20.29	5.24	Non Recurring
Dividend Income	0.04	-	0.04	-	-	-	Recurring
Other Operating Income	-	-	-	163.05	173.43	57.34	Recurring
Misc. Receipt for selling of Scrap, etc.	14.82	16.61	41.33	79.22	72.39	3.46	Recurring
Excess Provision Written Back	-	-	1.45	0.52	-	-	Non Recurring
Profit On Sale Of Fixed Assets	(0.12)	-	0.07	0.40	-	6.93	Non Recurring
Total	14.75	16.61	49.21	276.36	266.11	72.97	

ANNEXURE-XIV
STATEMENT OF ACCOUNTING RATIOS

Particulars	31-Mar-05	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09	30-Jun-09
Earning Per Share (EPS)						
Net Profit after Tax attributable to Equity Share Holders (Rs. In Lacs)	23.94	523.88	865.52	1264.16	1293.15	677.63
Weighted Average No. of Shares	7688494	7688494	7688494	11953369	12257741	12257741
Nominal Value of Share (Rs.)	10/-	10/-	10/-	10/-	10/-	10/-

Particulars	31-Mar-05	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09	30-Jun-09
Earning per Share (EPS) (Rs.)	0.31	6.81	11.25	*10.58	10.55	#5.53
Return on Net Worth (RONW)						
Profit after Tax (Rs. in Lacs) (A)	23.94	523.88	865.52	1264.16	1293.15	677.63
Net Worth (Rs. in Lacs) (B)	1159.43	1683.54	2549.26	4683.62	5976.98	6654.62
RONW % (A/B)	2.06	31.12	33.95	26.99	21.64	#10.18
Net Assets Value (NAV) Per Share						
Total Assets (Rs. In Lacs) (A)	2699.95	3079.70	5204.12	9300.03	12161.63	12977.24
Total Liabilities (Rs. In Lacs) (B)	1540.51	1396.17	2654.86	4616.41	6184.65	6322.62
Assets Value (Rs. In Lacs) (C)=(A-B)	1159.44	1683.53	2549.26	4683.62	5976.98	6654.62
No. of Shares (D)	7688494	7688494	7688494	12257741	12257741	12257741
Net Assets Value Per Share (Rs.)- (C/D)	15.08	21.90	33.16	38.20	48.76	54.29

Note 1--* As per para 24 of AS-20, weighted average number of equity shares have been computed as if the bonus shares were issued at the beginning of the year.

Note 2--#The Annualised EPS and RONW as on 30-06-2009 are 22.12 and 40.73 respectively

Notes:

The ratios have been computed as below:

Basic Earning per share (Rs.)	=	Net Profit after Tax, as restated, attributable to Equity Share Holders
		Number of Equity Shares Outstanding during the Year (as adjusted)
Return on Net Worth (%)	=	Net Profit after Tax as restated
		Net Worth as restated, at the end of the Year
Net Assets Value per share (Rs.)	=	Net Worth as restated, At the end of the Year
		Number of Equity Shares Outstanding at the end of the Year

ANNEXURE-XV

CAPITALISATION STATEMENT

Particulars	Rs. In Lacs	
	Pre-issue (as at 30.06.2009)	Post Issue (at an offer price of Rs. *)
Short Term Debt	1398.29	1398.29
Long Term Debt	88.89	88.89
Total Debt	1487.18	1487.18
Shareholder's Fund		
Share Capital	1225.77	*
Reserves & Surplus	5429.18	*
Sub-Total	6654.95	*
Less: Preliminary Expenses not written off	0.33	
Total Shareholders Fund	6654.62	*
Long Term Debt/Equity	0.01	*

Note: ** Information pertaining to post issue share capital & reserves can be ascertained only after completion of Public Issue process.

ANNEXURE-XVI

STATEMENT OF TAX SHELTERS

Particulars	For the Year/Period Ended					
	31-Mar-05	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09	30-Jun-09
Profit & Loss as per book of account	67.32	616.80	1224.66	1952.14	1993.79	802.63
Tax rates (Normal including surcharge)	36.5925	33.66	33.66	33.99	33.99	33.99
Notional Tax Payable at Normal Rates	-	21.91	412.20	663.53	677.69	272.81
ADJUSTMENT						
Permanent Difference						
Tax Free Income	-	-	-	-	-	-
Capital Gains as per return	-	-	-	(0.40)	-	(6.93)
	-	-	-	-	-	-
Disallowance as per return	2.76	2.82	13.93	0.93	17.67	4.56
Other Adjustment	-	-	-	-	-	-
Timing Difference						
Difference between Tax depreciation & book depreciation	0.84	(458.19)	(487.06)	(521.92)	(919.03)	(395.03)
Disallowances u/s 43-B	-	-	-	-	-	-
Other Adjustment	-	-	(88.37)	-	-	-
Net Adjustment	3.60	(455.37)	(561.50)	(521.39)	(901.36)	(397.40)
Tax Saving thereon	-	153.28	189.00	177.22	306.37	135.08
Total Taxation	25.95	54.34	232.53	486.60	371.32	137.73
Tax on Brought Forward unabsorbed depreciation	25.95	32.42	-	-	-	-
Normal Tax Payable	-	21.92	232.53	486.60	371.32	137.73
Taxable Income as per MAT	47.68	616.84	1,224.73	1951.74	1993.79	802.63
Tax as per Income Tax Return (MAT Tax)	3.74	51.91	202.53	532.06	382.70	125.00

Notes:

- The figures in the above statement for the year ended 31st March 2009 and period ended 30th June 2009 are provisional and would be finalized at the time of filing of Income Tax Return.
- The figures for all other years are as per the Income Tax Returns submitted.

ANNEXURE – XVII

STATEMENT OF QUALIFICATION IN AUDITOR'S REPORT

A. On the accounts of the Financial Year 2002-2003

In our opinion the Balance Sheet comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 subject to ;

Non provision of Gratuity, Liability, Leave Encashment for un-availed leave payable and provision for Bonus to its employees as required by the mandatory "Accounting Standard 15- Accounting for Retirement Benefits" issued by the Institute of Chartered Accountants of India the financial effect of which has not been ascertained by the management.

Management Reply

Regarding the qualification of Auditor's Report w.e.f. Gratuity, Leave Encashment and Bonus members are informed that the Company intends to form a trust for Gratuity under the LIC's Group Gratuity Scheme to comply with accounting standard AS-15. Payment of Leave Encashment is being made on cash basis. None of the employee of the company was falling under the remuneration ceiling for entitlement of Bonus under the Bonus Act. Therefore, provision for Bonus has not been made during the previous year.

B. On the accounts of the Financial Year 2003-2004

In our opinion the Balance Sheet comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 subject to non provision of Gratuity, Liability, Leave Encashment for un-availed leave payable and provision for Bonus to its employees as required by the mandatory Accounting Standard-15 "Accounting for Retirement Benefits" issued by the Institute of Chartered Accountants of India the financial effect of which has not been ascertained by the management.

Management Reply

Regarding the qualification of Auditor's Report w.e.f. Gratuity, Leave Encashment and Bonus members are informed that the Company intends to form a trust for Gratuity under the LIC's Group Gratuity Scheme to comply with accounting standard AS-15. Payment of Leave Encashment is being made on cash basis. None of the employee of the company was falling under the remuneration ceiling for entitlement of Bonus under the Bonus Act. Therefore, provision for Bonus has not been made during the previous year.

C. On the accounts of the Financial Year 2004-2005

In our opinion the Balance Sheet comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 subject to non provision of Gratuity, Liability, Leave Encashment for un-availed leave payable and provision for Bonus to its employees as required by the mandatory "Accounting Standard 15-Accounting for Retirement Benefits" issued by the Institute of Chartered Accountants of India the financial effect of which has not been ascertained by the management.

Management Reply

Regarding the qualification of Auditor's Report w.e.f. Gratuity, Leave Encashment and Bonus members are informed that the Company intends to form a trust for Gratuity under the LIC's Group Gratuity Scheme to comply with accounting standard AS-15. Payment of Leave Encashment is being made on cash basis. None of the employee of the company was falling under the remuneration ceiling for entitlement of Bonus under the Bonus Act. Therefore, provision for Bonus has not been made during the previous year.

D. On the accounts of the Financial Year 2005-2006

In our opinion the Balance Sheet comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 subject to non provision of Gratuity, Liability, Leave Encashment for un-availed leave payable and provision for Bonus to its employees as required by the mandatory "Accounting Standard 15-Accounting for Retirement Benefits" issued by the Institute of Chartered Accountants of India the financial effect of which has not been ascertained by the management.

Management Reply

Regarding the qualification of Auditor's Report w.r.t. Gratuity, Leave Encashment and Bonus members are informed that the Company intends to form a trust for Gratuity under the LIC's Group Gratuity Scheme to comply with Accounting Standard AS-15. Payment of Leave Encashment is being made on cash basis. None of the employee of the company was falling under the remuneration ceiling for entitlement of Bonus under the Bonus Act. Therefore, provision for Bonus has not been made during the previous year.

EXISTING BORROWING FACILITIES

The Company has the following existing loans outstanding in its books of accounts:

SECURED LOANS**a. EXISTING TERM LOAN FACILITIES:**

(Rs. in lakhs)					
Sl. No.	Name of the Bank	Amount Sanctioned		Repaid till date	Principal Amount Outstanding as on 31.07.2009
1.	State Bank of India	* 73		29.48	43.52
2.	State Bank of India	\$ 210		89	121.00

* Originally the term loan sanctioned was Rs. 108 lakhs by Punjab National Bank, which was taken over by State Bank of India on July 24, 2006 and at the time of fresh sanction on 9.2.2007, the outstanding balance was Rs. 94 lakhs on that account, which has been revised to Rs. 73 lakhs in May 22, 2008. As per State Bank of India letter no. IFB/CREDIT/2009-10/90 dated 29.07.2009 the outstanding balance presently is at Rs. 73 lakhs

\$ The term loan was originally sanctioned for Rs. 600 lakhs by State Bank of India and was reduced to Rs. 300 lakhs vide its letter no. IFB/CREDIT/2006-07/244 dated February 9, 2007. The said loan (based on outstandings) has been revised to Rs. 210 lakhs in May 22, 2008. As per State Bank of India letter no. IFB/CREDIT/2009-10/90 dated 29.07.2009 the outstanding balance presently is at Rs. 210 lakhs

b. TERM LOAN FACILITIES FOR THE PROPOSED PROJECTS:

(Rs. in lakhs)					
Sl. No.	Name of the Bank	Amount Sanctioned	Amount Disbursed	Repaid till date	Principal Amount Outstanding as on 31.07.2009
1.	State Bank of India	1200	-	-	-

c. EXISTING WORKING CAPITAL FACILITIES:

(Rs. in lakhs)		
Sl. No.	Name of the Bank	Amount Sanctioned
1.	State Bank Of India	2000.00

On 24th July 2006, the Cash Credit limit sanctioned by SBI was Rs. 400 lakhs, but later on vide their letter no. IFB/CREDIT/2007-08/485 dated July 21 2007 the same facility was enhanced to Rs.800 lakhs. State Bank of India has further enhanced the Cash Credit facilities to Rs.1600 lakhs vide their letter no. IFB/CREDIT/2008-09/40 dated May 22, 2008. Again on 29.07.2009 State Bank of India has further enhanced the Cash Credit facilities to Rs. 2000 lakhs vide its letter no. IFB/CREDIT/2009-10/90

d. DETAILS OF CAR LOAN (31.07.2009)

(Rs. in lakhs)					
Sl. No.	Name of the Bank	Amount Sanctioned	Amount Disbursed	Repaid till date	Principal Amount Outstanding as on 31.07.2009
1.	ICICI Bank LAN No. LADEL00004246672	6.19	6.19	4.72	1.47
2.	ICICI Bank LAN No. LADEL00010060968	6.08	6.08	2.39	3.69
3.	ICICI Bank	6.07	6.07		

	LAN No. LADEL00010013417			2.38	3.69
4.	ICICI Bank LAN No.LADEL00011267374	25.00	25.00	15.02	9.98
5.	ICICI Bank LAN No. LADEL00012125207	4.25	4.25	1.10	3.15
6.	Reliance Consumer Finance Ltd. Loan A/c No. RLNCDEL000025748	3.43	3.43	1.03	2.40

DETAILS OF THE TERM LOANS ARE AS UNDER:

Term loan Rs. in lakhs	Repayment Period/Schedule/ Commitment Fee/Prepayment Charges	Current Interest	Moratorium	Prime/Collateral security	Guarantees
State Bank of India Term Loan Rs. 73 lakhs (Existing) Taken over of Loan from Punjab National Bank	22 quarterly instalments of Rs. 5 lakhs each commencing from July 2006 and ending in October 2011. Commitment Fee: 1% for delayed drawdown beyond 2 months. Prepayment Charges: 2% of the Prepaid Amount.	2.5% above SBAR at monthly rests.	-	Primary: First charge on all fixed assets,including EM of two factory land and building at Samalkha,Haryana. Behror, Rajasthan. Collateral : Extension of charges on all current assets of the company.	Personal 1. Shri Madhav Kumar Swarup 2. Shri Ajay Kumar Swarup Corporate M/s Chand Bagh Investments Ltd.
State Bank of India Term Loan Rs. 210 lakhs (Existing) Original Term Loan of Rs. 600 lakhs from Punjab National Bank. Taken over by State Bank of India and amount reduced to Rs. 300 lakhs at the request of the Company.	17 quarterly instalments commencing from February 2007 and ending in February 2011. First 16 instalments of Rs. 18 lakhs each. Last & Final 17 th instalment of Rs. 12 lakhs. Commitment Fee: 1% for delayed drawdown beyond 2 months. Prepayment Charges: 2% of the Prepaid Amount.	SBAR. at monthly rests	-	Primary: First charge on all fixed assets,including EM of two factory land and building at Samalkha,Haryana. Behror, Rajasthan. Collateral : Extension of charges on all current assets of the company.	Personal 1. Shri Madhav Kumar Swarup 2. Shri Ajay Kumar Swarup Corporate M/s Chand Bagh Investments Ltd.
State Bank of India Term Loan Rs. 1200 lakhs (Fresh loan dated 29.07.09)	12 quarterly instalments of Rs. 100 lakhs each commencing June 2010 and ending in March 2013 Commitment Fee: 1.20% for delayed draw down beyond 2 months.	SBAR i.e., currently 11.75% p.a. at monthly rests (with reset after every 2	9 months	Primary: First charge on all fixed assets, including EM of two factory land and building at: Samalkha, Haryana and Behror, Rajasthan. Collateral: Extension of charge on all current assets of the Company.	Personal 1. Mr. Madhav Kumar Swarup 2. Mr. Ajay Kumar Swarup Corporate Guarantee:

	Prepayment Charges: 2% of the Prepaid Amount.	years)			M/s Chand Bagh Investments Ltd.

DETAILS OF THE ABOVE CASH CREDIT FACILITIES ARE AS UNDER:

Working Capital		Interest	Moratorium	Prime/Collateral security	Guarantees
State Bank of India Rs. 2000 lakhs		SBAR i.e., currently 11.75% p.a. at monthly rests.	-	Primary: First charge by way of Hypothecation on entire current assets of the Company. Collateral: Extension of charges on all fixed assets of the Company.	Personal Guarantees 1. Mr. Madhav Kumar Swarup 2. Mr. Ajay Kumar Swarup Corporate Guarantees M/s Chand Bagh Investments Ltd.

On 24th July 2006, the Cash Credit limit sanctioned by SBI was Rs. 400 lakhs, but later on vide their letter no. IFB/CREDIT/2007-08/485 dated 21st July 2007 the same facility was enhanced to Rs.800 lakhs. State Bank of India has further enhanced the Cash Credit facilities to Rs.1600 lakhs vide their letter no. IFB/CREDIT/2008-09/40 dated May 22, 2008. Again on 29.07.2009 State Bank of India has further enhanced the Cash Credit facilities to Rs. 2000 lakhs vide its letter no. IFB/CREDIT/2009-10/90.

DETAILS OF THE NON-FUND BASED FACILITIES ARE AS UNDER:

Limit	Purpose	Margin	Security	Period
Bank Guarantee (Domestic) Rs. 50 lakhs renewed vide SBI's letter no. IFB/CREDIT/2009-10/90 dated July 29, 2009.	For issuance of Sales Tax/Excise/Customs/Security Deposit and for any other bonafide business purpose.	15% (However, 100% cash margin in case of guarantees covering disputed liabilities)	Same as in Cash Credit Facility.	18 months
Letters of Credit (WC-Inland/Import) Rs. 150 lakhs renewed vide SBI's letter no. IFB/CREDIT/2009-10/90 dated July 29, 2009	For purchase of Raw Materials, Consumables, Stores etc.	15%	Same As in Cash Credit Facility.	Usance: Maximum – 90 Days

FINANCIAL AND OTHER INFORMATION OF COMPANIES PROMOTED/CONTROLLED BY THE PROMOTERS

The information for the last 3 years based on the audited statements in respect of all the companies, firms, ventures, etc. promoted by the promoters irrespective of whether these are covered under section 370(1)(B) of the Companies Act, 1956 or not are given hereunder:

1. ASSOCIATED DISTILLERIES LIMITED

Mr. Ajay Kumar Swarup and Mr. Anoop Bishnoi are the promoters of the Company.

The company was incorporated on November 16, 1983, with the Registrar of Companies, Delhi & Haryana, as a public limited company, with its registered office at C-631, New Friends Colony, New Delhi-110065. The main objects comprises of carrying on business as manufacturers, and traders of whisky, gin, rum, brandy, country liquor, industrial alcohol, absolute alcohol, spirits etc.

BOARD OF DIRECTORS

Mr. Dhruv Kumar
Mr. Rajat Sangal
Mr. Kanshi Prasad Pandey

SHAREHOLDING

Sl. No.	Name of Shareholder	No. of Shares held	%age Shareholding
1.	Mr. Anoop Bishnoi	15,000	2.78
2.	Mr. Madhav Kumar Swarup	95,000	17.59
3.	Mrs. Saroj Rani Swarup	85,000	15.74
4.	Mrs. Madhavi Swarup	15,000	2.78
5.	Others	3,30,000	61.11
	TOTAL	5,40,000	100.00

The financial highlights for the last 3 years are given below:

(Rs. in lakhs)			
Year Ended March 31	2008-09 (Audited)	2007-08 (Audited)	2006-07 (Audited)
Sales	3859.32	5137.93	5415.94
Total Income	3795.35	5150.64	5420.42
Profit after tax (PAT)	43.88	51.62	54.92
Share Capital ⁽¹⁾	54.00	54.00	54.00
Reserves (excluding revaluation reserve)	412.17	368.29	316.67
Earnings per share (EPS) (Rs.)	8.13	9.56	10.17
Net Asset Value (NAV) per share (Rs.)	86.33	78.20	68.64
Net worth	466.17	422.29	370.68

Source: Audited Financial Statements

Notes:

1. Face value of each equity share is Rs.10/-.
2. For the calculation of Earnings Per Share and Net Asset Value per share, number of equity shares outstanding at the end of the year has been considered.
3. Networth means aggregate of value of the paid-up share capital and free reserves (excluding revaluation reserves) reduced by the aggregate value of accumulated

losses and deferred expenditure not written off (including miscellaneous expenses not written off) as per the audited balance sheet.

The Company is in similar business as that of the Issuer Company.

Mrs. Madhavi Swarup (wife of Mr. Ajay Swarup), Mr. Madhav Kumar Swarup (Father of Mr. Ajay Swarup), Mrs. Saroj Rani Swarup (Mother of Mr. Ajay Swarup) together hold 36.11% of the company's equity.

Share Quotation

The Company is not listed in any Stock Exchange. The Company has not come out with any Public or Rights Issue since inception.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company and it is not a sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1995.

Related Party Transactions: Associated Distilleries Limited sold Rectified Spirit for Rs. 60.77 lakhs during Quarter ended June 30, 2009 and Rs. 61.22 lacs during year ended March 31, 2009 (FY 2007-08: Rs. 203.06 lakhs) to Globus Spirits Limited. Associated Distilleries purchased Extra Neutral Alcohol & Rectified Spirit for Rs. 16.08 lakhs during Quarter ended June 30, 2009 and Rs. 112.72 lacs during the year ended March 31, 2009 (FY 2007-08: Rs. 55.80 lakhs) from Globus Spirits. The Company made transactions in the nature of bottling and packing material advances, interest towards loans and others with Globus Spirits to the extent of Rs. 16.33 lakhs during Quarter ended June 30, 2009 and Rs. 53.05 lacs during the year ended March 31, 2009 (FY 2007-08: Rs. 136.17 lakhs).

2. CHAND BAGH INVESTMENTS LIMITED

Mr. Ajay Kumar Swarup is the Promoter of the company.

The company was incorporated on March 18, 1993 by the name of Chand Bagh Investments Private Limited with the Registrar of Companies, Delhi & Haryana, as a private limited company. The Company later changed its name to Chand Bagh Investments Limited and a fresh Certificate of Incorporation was obtained from Registrar of Companies, NCT of Delhi & Haryana on November 01, 1994. The Company has its registered office at C-631, New Friends Colony, New Delhi – 110065.

The main objects of the company comprises of carrying on the business of investment company and financing industrial enterprises, and to invest in and acquire shares, stocks, debentures, securities etc., and other investments.

Chand Bagh Investments Ltd holds 1,13,67,510 Equity Shares in Globus Spirits Limited accounting for 92.74% of the Pre-Issue paid-up capital of the Company.

BOARD OF DIRECTORS

Mr. Ajay Kumar Swarup
Mrs. Madhavi Swarup
Mrs. Saroj Rani Swarup

SHAREHOLDING

Sl. No.	Name of Shareholder	No. of Shares held	%age Shareholding
1.	Mr. Sharan Singh	10	0.01
2.	Mr. Satish Kumar	10	0.01
3.	Mr. Ajay Kumar Swarup	26,160	26.16
4.	Northern India Alcohol Sales Pvt. Ltd.	23,790	23.79
5.	Mr. Madhav Kumar Swarup	10	0.01
6.	Mrs. Saroj Rani Swarup	10	0.01
7.	Mrs. Madhavi Swarup	10	0.01
8.	Astral Capitals Private Limited	50,000	50.00
	TOTAL	1,00,000	100.00

The financial highlights for the last 3 years are given below

(Rs. in lakhs)

Year Ended March 31	2008 – 09 (Audited)	2007 - 08 (Audited)	2006-07 (Audited)
Total Income	-	14.01	6.55
Profit after tax (PAT)	(21.85)	11.47	1.89
Share Capital ⁽¹⁾	10.00	10.00	5.00
Reserves (excluding revaluation reserve)	53.94	74.64	64.32
Earnings per share (EPS) (Rs.)	Nil	11.47	3.78
Net Asset Value (NAV) per share (Rs.)	63.94	84.64	138.64
Networth	63.94	84.64	69.32

Source: Audited Financial Statements

Notes:

1. Face value of each equity share is Rs.10/-.
2. For the calculation of Earnings Per Share and Net Asset Value per share, number of equity shares outstanding at the end of the year has been considered.
3. Networth means aggregate of value of the paid-up share capital and free reserves (excluding revaluation reserves) reduced by the aggregate value of accumulated losses and deferred expenditure not written off (including miscellaneous expenses not written off) as per the audited balance sheet.

Mr. Ajay Kumar Swarup holds 26.16% equity in the company. Northern India Alcohol Sales Private Limited which is a company promoted by Mr. Ajay Kumar Swarup wherein Mr. Ajay Kumar Swarup holds 82.06% equity, holds 23.79%. Astral Capitals Private Limited, a company wherein Mr. Ajay Swarup has increased his equity holding to 82.5% has 50% equity ownership in Chand Bagh Investments Ltd.

Mr. Ajay Swarup, Mrs. Madhavi Swarup (Wife of Mr. Ajay Swarup), Mr. Madhav Kumar Swarup (Father of Mr. Ajay Swarup), Mrs. Saroj Rani Swarup (Mother of Mr. Ajay Swarup), Northern Alcohol Sales Pvt. Ltd., and Astral Capitals Private Limited in combination hold 99.98% of the company's equity.

Share Quotation

The Company is not listed in any Stock Exchange. The Company has not come out with any Public or Rights Issue since inception.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company and it is not a sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985.

3. **ASTRAL CAPITALS PRIVATE LIMITED**

Astral Capitals Private Limited has been promoted by one Mr. Sunil Kumar, who has no relationship or association with Mr. Ajay Kumar Swarup, the Promoter and Managing Director of Globus Spirits Limited.

Mr. Ajay Kumar Swarup initially held 1,000 Equity Shares in Astral Capitals and later purchased further 7,250 additional Equity Shares of Astral Capitals Private Limited on August 1, 2007 thus increasing his holding to 82.5% in the company. Astral Capitals Private Limited and thereby becoming a group company of Globus.

Astral Capitals Private Limited was incorporated on September 20, 1994 with the Registrar of Companies, Delhi & Haryana, as a private limited company, with its registered office at C-631, New Friends Colony, New Delhi – 110065. The main business is to carry on business of investment and financing industrial enterprises, and to invest in and acquire shares, stocks, debentures, securities etc., and other investments.

BOARD OF DIRECTORS

Mr. Ajay Kumar Swarup
Mr. Rumel Singh

SHAREHOLDING

Sl.No.	Name of Shareholder	No. of Shares held	%age Shareholding
1.	Mrs. Roshni Devi	150	1.5
2.	Mr. Rajesh Sharma	100	1.0
3.	Mr. Ajay Kumar Swarup	8,250	82.5
4.	Mr. Rumel Singh	1,500	15.0
	TOTAL	10,000	100.00

The financial highlights for the last 5 years are given below:

(Rs. in lakhs)

Year Ended March 31	2008-09 (Audited)	2007-08 (Audited)	2006-07 (Audited)	2005-06 (Audited)	2004-05 (Audited)
Total Income	Nil	Nil	Nil	Nil	Nil
Profit after tax (PAT)	Nil	Nil	Nil	Nil	Nil
Share Capital ⁽¹⁾	1.00	1.00	1.00	1.00	1.00
Reserves (excluding revaluation reserve)	Nil	Nil	Nil	Nil	Nil
Earnings per share (EPS) (Rs.)	Nil	Nil	Nil	Nil	Nil
Net Asset Value (NAV) per share (Rs.)	(6.21)	(5.29)	(3.86)	(2.18)	(0.07)
Networth	(0.62)	(0.53)	(0.39)	(0.22)	(0.007)

Source: Audited Financial Statements

Notes:

1. Face value of each equity share is Rs. 10/-.
2. For the calculation of Earnings Per Share and Net Asset Value per Share, the number of equity shares outstanding at the end of the year has been considered.
3. Net Worth means aggregate of value of the paid-up share capital and free reserves (excluding revaluation reserves) reduced by the aggregate value of accumulated losses and deferred expenditure not written off (including miscellaneous expenses not written off) as per the audited balance sheet.

Mr. Ajay Kumar Swarup holds 82.5% equity in the company.

Share Quotation

The company is not listed in any Stock Exchange. The Company has not come out with any Public or Rights Issue since inception.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the company and it is not a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985.

4. NORTHERN INDIA ALCOHOL SALES PRIVATE LIMITED

Mr. Ajay Kumar Swarup is the promoter of the Company.

The company was incorporated on May 30, 1988 with the Registrar of Companies, Delhi & Haryana, as a private limited company, with its registered office at 1A/1, Hospital Road, Jangpura-A, New Delhi – 100 014.

The company is into trading activity. The main objects is to carry on the business of traders of Whisky, Gin, Rum, Brandy, Country Liquor, Industrial Alcohol, Absolute Alcohol, other alcohol etc., brokers, merchants, exporters, importers etc.

BOARD OF DIRECTORS

Mr. Sukhmal Chand Jain
Mr. Rajesh Kumar

SHAREHOLDING

Sl. No.	Name of Shareholder	No. of Shares held	%age Shareholding
1.	Mr. Sharan Singh	50	1.50
2.	Mr. Sukhmal Chand Jain	50	1.50
3.	Mr. Ajay Kumar Swarup	2,745	82.06
4.	Mrs. Madhavi Swarup	250	7.47
5.	Mrs. Saroj Rani Swarup	250	7.47
	TOTAL	3,345	100.00

The financial highlights for the last 5 years are given below:

Year Ended March 31	(Rs. in lakhs)				
	2008-09 (Audited)	2007-08 (Audited)	2006-07 (Audited)	2005-06 (Audited)	2004-05 (Audited)
Total Income	-	2.14	3.61	0.01	9.04
Profit after tax (PAT)	(0.58)	0.34	(0.55)	(0.20)	1.01
Share Capital ⁽¹⁾	3.35	3.35	3.35	3.35	3.35
Reserves (excluding revaluation reserve)	(1.05)	(0.47)	(0.81)	(0.26)	(0.06)
Earnings per share (EPS) (Rs.)	Nil	10.24	Nil	Nil	30.29
Net Asset Value (NAV) per share (Rs.)	68.60	84.87	75.78	91.94	97.91
Networth	2.30	2.84	2.54	0.08	3.28

Source: Audited Financial Statements

Notes:

1. Face value of each equity share is Rs.100/-.
2. For the calculation of Earnings Per Share and Net Asset Value per share, number of equity shares outstanding at the end of the year has been considered.

3. Networth means aggregate of value of the paid-up share capital and free reserves (excluding revaluation reserves) reduced by the aggregate value of accumulated losses and deferred expenditure not written off (including miscellaneous expenses not written off) as per the audited balance sheet.

The Company has not done any business of alcohol since incorporation.

Mr. Ajay Kumar Swarup holds 82.06% equity. Mr. Ajay Kumar Swarup along with Mrs. Madhavi Swarup and Mrs. Saroj Rani Swarup hold 97% equity.

Share Quotation

The Company is not listed in any Stock Exchange. The Company has not come out with any Public or Rights Issue since inception.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company and it is not a sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985.

5. RAJASTHAN DISTILLERIES PRIVATE LIMITED

The Company has been promoted by Mr. Ajay Kumar Swarup.

The Company was incorporated on June 11, 1997 with the Registrar of Companies, NCT of Delhi & Haryana, as a private limited company, with its registered office at C-631, New Friends Colony, New Delhi-110065.

The main objects is to carry on and manage the business or trades of Whisky, Gin, Beer, Rum, Brandy and general distillers, compounders and rectifiers, merchants, exporters, importers etc.

BOARD OF DIRECTORS

Mr. Madhav Kumar Swarup
Mr. Kanshi Prasad Pandey
Mr. Rajat Sangal

SHAREHOLDING

Sl.No.	Name of Shareholder	No. of Shares held	%age Shareholding
1.	Mr. Alok Jain	10	0.10
2.	Mrs. Meera Jain	10	0.10
3.	Northern India Alcohol Sales Pvt. Ltd.	10,000	99.80
	TOTAL	10,020	100.00

The financial highlights for the last 3 years are given below:

Year Ended March 31	(Rs. in lakhs)		
	2008-09 (Audited)	2007-08 (Audited)	2006-07 (Audited)
Total Income	1.98	Nil	Nil
Profit after tax (PAT)	(1.58)	Nil	Nil
Share Capital ⁽¹⁾	1.00	1.00	1.00
Reserves (excluding revaluation reserve)	Nil	Nil	Nil
Earnings per share (EPS) (Rs.)	Nil	Nil	Nil
Net Asset Value (NAV) per share (Rs.)	(128.22)	(143.04)	(142.2)
Networth	(12.85)	(14.33)	(14.25)

Source: Audited Financial Statements

Notes:

1. Face value of each equity share is Rs.10/-.
2. For the calculation of Earnings Per Share and Net Asset Value per share, number of equity shares outstanding at the end of the year has been considered.
3. Networth means aggregate of value of the paid-up share capital and free reserves (excluding revaluation reserves) reduced by the aggregate value of accumulated losses and deferred expenditure not written off (including miscellaneous expenses not written off) as per the audited balance sheet.

The Company has not been carrying on any business.

99.80% of the company's equity is held by Northern India Alcohol Sales Pvt. Ltd., a company wherein 97% is held by Mr. Ajay Kumar Swarup, Mrs. Madhavi Swarup and Mrs. Saroj Rani Swarup.

Share Quotation

The Company is not listed in any Stock Exchange. The Company has not come out with any Public or Rights Issue since inception.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company and it is not a sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985.

6. BIOTECH INDIA LIMITED

Mr. Ajay Kumar Swarup is the promoter of the Company.

The Company was incorporated on May 5, 1994 with the Registrar of Companies, Delhi & Haryana, as a public limited company. It obtained Certificate for Commencement of Business on February 17, 1995. The company has its registered office at C-631, New Friends Colony, New Delhi – 110 065. The main objects are to carry on the business of civil, mechanical, electrical, chemical, consulting engineers etc.

BOARD OF DIRECTORS

Mr. Madhav Kumar Swarup
Mr. Ajay Kumar Swarup
Mrs. Madhavi Swarup
Mr. Suhas Vasant Joshi

SHAREHOLDING

Sl. No.	Name of Shareholder	No. of Shares held	%age Shareholding
1.	Mr. Ajay Kumar Swarup	25,510	51.02
2.	Mr. Shekhar Swarup	24,430	48.86
3.	Mr. Madhav Kumar Swarup	10	0.02
4.	Mrs. Saroj Rani Swarup	10	0.02
5.	Mrs. Madhavi Swarup	10	0.02
6.	Mr. Sharan Singh	10	0.02
7.	Mr. Sukhmal Chand Jain	10	0.02
8.	Mr. Suhas Vasant Joshi	10	0.02
	TOTAL	50,000	100.00

The financial highlights for the last 5 years are given below:

(Rs. in lakhs)

Year Ended March 31	2008-09 (Audited)	2007-08 (Audited)	2006-07 (Audited)	2005-06 (Audited)	2004-05 (Audited)
Total Income	7.35	14.12	11.45	2.77	Nil
Profit after tax (PAT)	(1.09)	(1.39)	(0.74)	(0.24)	Nil
Share Capital ⁽¹⁾	5.00	5.00	5.00	5.00	5.00
Reserves (excluding revaluation reserve)	Nil	Nil	Nil	Nil	Nil
Earnings per share (EPS) (Rs.)	Nil	Nil	Nil	Nil	Nil
Net Asset Value (NAV) per share (Rs.)	(1.86)	(2.18)	(2.04)	9.18	9.66
Networth	(0.93)	(1.09)	(1.02)	4.59	4.83

Source: Audited Financial Statements

Notes:

1. Face value of each equity share is Rs.10/-.
2. For the calculation of Earnings Per Share and Net Asset Value per share, number of equity shares outstanding at the end of the year has been considered.
3. Networth means aggregate of value of the paid-up share capital and free reserves (excluding revaluation reserves) reduced by the aggregate value of accumulated losses and deferred expenditure not written off (including miscellaneous expenses not written off) as per the audited balance sheet.

Mr. Ajay Kumar Swarup together with Mrs. Madhavi Swarup, Mr. Madhav Kumar Swarup, Mrs. Saroj Rani Swarup and Mr. Sekhar Swarup (Son of Mr. Ajay Swarup) holds 99.94% shares in the company's equity.

Share Quotation

The Company is not listed in any Stock Exchange. The Company has not come out with any Public or Rights Issue since inception.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company and it is not a sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985.

7. VITTHAL PROPERTIES PRIVATE LIMITED

The Company has been promoted by Mr. Ajay Kumar Swarup.

The Company was incorporated on January 11, 1988 with the Registrar of Companies, Delhi & Haryana, as a private limited company, with its registered office at 51-A, Friends Colony (East), New Delhi-110065. The main objects is to carry on business of real estate, leasing, selling, purchasing etc of properties.

BOARD OF DIRECTORS

Mr. Madhav Kumar Swarup
Mrs. Madhavi Swarup

SHAREHOLDING

Sl. No.	Name of Shareholder	No. of Shares held	%age Shareholding
1.	Mrs. Madhavi Swarup	1,86,778	72.53
2.	Mrs. Saroj Rani Swarup	70,722	27.47
	TOTAL	2,57,500	100.00

The financial highlights for the last 5 years are given below:

(Rs. in lakhs)

Year Ended March 31	2008-09 (Audited)	2007-08 (Audited)	2006-07 (Audited)	2005-06 (Audited)	2004-05 (Audited)
Total Income	-	1.23	0.94	1.08	0.98
Profit after tax (PAT)	(1.14)	(0.03)	(0.14)	(0.02)	(0.23)
Share Capital ⁽¹⁾	25.75	25.75	25.75	25.75	25.75
Reserves (excluding revaluation reserve)	1.00	1.00	1.00	1.00	1.00
Earnings per share (EPS) (Rs.)	Nil	Nil	Nil	Nil	Nil
Net Asset Value (NAV) per share (Rs.)	9.32	9.76	9.77	9.82	9.82
Networth	24.00	25.13	25.15	25.28	25.28

Source: Audited Financial Statements

Notes:

1. Face value of each equity share is Rs.10/-.
2. For the calculation of Earnings Per Share and Net Asset Value per share, number of equity shares outstanding at the end of the year has been considered.
3. Networth means aggregate of value of the paid-up share capital and free reserves (excluding revaluation reserves) reduced by the aggregate value of accumulated losses and deferred expenditure not written off (including miscellaneous expenses not written off) as per the audited balance sheet.

Mrs Madhavi Swarup (Wife of Mr. Ajay Swarup) and Mrs. Saroj Rani Swarup (Mother of Mr. Ajay Swarup) together hold 100% shares in the company's equity.

Share Quotation

The Company is not listed in any Stock Exchange. The Company has not come out with any Public or Rights Issue since inception.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company and it is not a sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985.

8. JARODA PLANTATIONS PRIVATE LIMITED

Mr. Ajay Kumar Swarup is the promoter of the Company.

The Company was incorporated on February 2, 1996 with the Registrar of Companies, Delhi & Haryana, as a private limited company, with its registered office at C-631, New Friends Colony, New Delhi-110065. The main objects are to carry on the business of floriculture,

horticulture and agriculture in all other forms and branches by setting up farms, agricultural houses, orchards etc.

BOARD OF DIRECTORS

Mr. Madhav Kumar Swarup
Mrs. Madhavi Swarup
Mr. Sukhmal Chand Jain

SHAREHOLDING

Sl. No.	Name of Shareholder	No. of Shares held	%age Shareholding
1.	Mrs. Madhavi Swarup	10	0.1
2.	Mr. Madhav Kumar Swarup	10	0.1
3.	Ms. Devika Swarup	9,980	99.8
	TOTAL	10,000	100.0

The financial highlights for the last 3 years are given below

(Rs. in lakhs)

Year Ended March 31	2008-09 (Audited)	2007-08 (Audited)	2006-07 (Audited)
Total Income	-	36.21	3.13
Profit after tax (PAT)	(0.88)	30.78	0.58
Share Capital ⁽¹⁾	1.00	1.00	1.00
Reserves (excluding revaluation reserve)	111.09	111.97	81.19
Earnings per share (EPS) (Rs.)	Nil	307.80	5.75
Net Asset Value (NAV) per share (Rs.)	1120.90	1129.44	821.43
Networth	112.09	112.94	82.14

Source: Audited Financial Statements

Notes:

1. Face value of each equity share is Rs.10/-.
2. For the calculation of Earnings Per Share and Net Asset Value per share, number of equity shares outstanding at the end of the year has been considered.
3. Networth means aggregate of value of the paid-up share capital and free reserves (excluding revaluation reserves) reduced by the aggregate value of accumulated losses and deferred expenditure not written off (including miscellaneous expenses not written off) as per the audited balance sheet.

Mrs Madhavi Swarup (Wife of Mr. Ajay Swarup) and Mr. Madhav Swarup (Father of Mr. Ajay Swarup) and Ms. Devika Swarup (Daughter of Mr. Ajay Swarup) together hold 100% shares in the company's equity.

Share Quotation

The Company is not listed in any Stock Exchange. The Company has not come out with any Public or Rights Issue since inception.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company and it is not a sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985.

9. GLOBUS INFOSYS PRIVATE LIMITED

Mr. Ajay Kumar Swarup is the promoter of the Company.

The Company was incorporated on July 3, 1997 with the Registrar of Companies, NCT of Delhi & Haryana, as a private limited with its registered office at C-631, New Friends Colony, New Delhi-110065. The main objects are to carry on business of development, design and trading of software and other allied services.

BOARD OF DIRECTORS

Mr. Madhav Kumar Swarup
Mr. Rajesh Kumar

SHAREHOLDING

Sl. No.	Name of Shareholder	No. of Shares held	%age Shareholding
1.	Mrs. Madhavi Swarup	4,850	48.5
2.	Mr. Anil Kumar Garg	2,130	21.3
3.	Mr. Madhav Kumar Swarup	2,000	20.0
4.	Mr. Sharan Singh	10	0.1
5.	Mr. Ashok Kumar	10	0.1
6.	Mr. Rajesh Kumar	1,000	10.0
	TOTAL	10,000	100.00

The financial highlights for the last 3 years are given below

(Rs. in lakhs)

Year Ended March 31	2008-09 (Audited)	2007-08 (Audited)	2006-07 (Audited)
Total Income	Nil	Nil	Nil
Profit after tax (PAT)	Nil	Nil	Nil
Share Capital ⁽¹⁾	1.00	1.00	1.00
Reserves (excluding revaluation reserve)	Nil	Nil	Nil
Earnings per share (EPS) (Rs.)	Nil	Nil	Nil
Net Asset Value (NAV) per share (Rs.)		0.97	2.18
Networth	(1.48)	(0.10)	0.22

Source: Audited Financial Statements

Notes:

1. Face value of each equity share is Rs.10/-.
2. For the calculation of Earnings Per Share and Net Asset Value per share, number of equity shares outstanding at the end of the year has been considered.
3. Networth means aggregate of value of the paid-up share capital and free reserves (excluding revaluation reserves) reduced by the aggregate value of accumulated losses and deferred expenditure not written off (including miscellaneous expenses not written off) as per the audited balance sheet.

The Company does not carry any activities.

Mrs Madhavi Swarup (Wife of Mr. Ajay Swarup) and Mr. Madhav Swarup (Father of Mr. Ajay Swarup) together hold 68.5% shares in the company's equity.

Share Quotation

The Company is not listed in any Stock Exchange. The Company has not come out with any Public or Rights Issue since inception.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company and it is not a sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985.

10. **RAMBAGH ESTATES PRIVATE LIMITED**

Mr. Ajay Kumar Swarup is the promoter of the Company.

The Company was incorporated on January 28, 1992 with the Registrar of Companies, Delhi & Haryana, as a private limited company, with its registered office at C-631, New Friends Colony, New Delhi-110065. The main objects are to carry on business of Real Estate, leasing, selling, purchasing etc of properties.

BOARD OF DIRECTORS

Mrs. Madhavi Swarup
Mr. Madhav Kumar Swarup

SHAREHOLDING

Sl. No.	Name of Shareholder	No. of Shares held	%age Shareholding
1.	Mrs. Madhavi Swarup	4,610	94.14
2.	Mr. Sharan Singh	65	1.33
3.	Mr. Madhav Kumar Swarup	222	4.53
	TOTAL	4,897	100.00

The financial highlights for the last 5 years are given below

Year Ended March 31	(Rs. in lakhs)				
	2008-09 (Audited)	2007-08 (Audited)	2006-07 (Audited)	2005-06 (Audited)	2004-05 (Audited)
Total Income	57.21	47.77	5.44	Nil	Nil
Profit after tax (PAT)	18.55	14.85	1.41	(0.08)	(0.08)
Share Capital ⁽¹⁾	4.90	4.90	4.90	4.90	4.90
Reserves (excluding revaluation reserve)	34.65	16.10	1.25	Nil	Nil
Earnings per share (EPS) (Rs.)	378.77	303.25	28.73	Nil	Nil
Net Asset Value (NAV) per share (Rs.)	803.86	423.98	119.61	89.80	90.20
Networth	39.37	20.76	5.86	4.40	4.42

Source: Audited Financial Statements

Notes:

1. Face value of each equity share is Rs.100/-.
2. For the calculation of Earnings Per Share and Net Asset Value per share, number of equity shares outstanding at the end of the year has been considered.
3. Networth means aggregate of value of the paid-up share capital and free reserves (excluding revaluation reserves) reduced by the aggregate value of accumulated losses and deferred expenditure not written off (including miscellaneous expenses not written off) as per the audited balance sheet.

Mrs Madhavi Swarup (Wife of Mr. Ajay Swarup) and Mr. Madhav Swarup (Father of Mr. Ajay Swarup) together hold 98.67% shares in the company's equity.

The company has become operational in the financial year 2006-07.

Share Quotation

The Company is not listed in any Stock Exchange. The Company has not come out with any Public or Rights Issue since inception.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company and it is not a sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985.

Related Party Transactions: The Company paid lease rental of Rs. 3.16 lacs during the quarter ended June 30, 2009 and Rs. 16.32 lacs during the year ended March 31, 2009 to Rambagh Estates Private Limited (P.Y. Rs. 15.93 lacs) for the Corporate Office of the Company.

11. SHAKTIMAN PROPERTIES PRIVATE LIMITED

Mr. Ajay Kumar Swarup is the promoter of the Company.

The Company was incorporated on January 11, 1988 with the Registrar of Companies, Delhi & Haryana, as a private limited company, with its registered office at 51-A, Friends Colony (East), New Delhi-110065. The main objects are to carry on business of Real Estate, leasing, selling, purchasing etc of Immovable properties.

BOARD OF DIRECTORS

Mr. Sukhmal Chand Jain
Mr. Madhav Kumar Swarup

SHAREHOLDING

Sl.No.	Name of Shareholder	No. of Shares held	%age Shareholding
1.	Mrs. Madhavi Swarup	1,38,005	69.69
2.	Mrs. Saroj Rani Swarup	59,995	30.30
	TOTAL	1,98,000	100.00

The financial highlights for the last 5 years are given below:

(Rs. in lakhs)					
Year Ended March 31	2008-09 (Audited)	2007-08 (Audited)	2006-07 (Audited)	2005-06 (Audited)	2004-05 (Audited)
Total Income	-	1.62	1.23	1.43	1.27
Profit after tax (PAT)	(1.54)	(0.004)	(0.15)	(0.02)	(0.31)
Share Capital ⁽¹⁾	19.80	19.80	19.80	19.80	19.80
Reserves (excluding revaluation reserve)	9.88	9.88	9.88	9.88	9.88
Earnings per share (EPS) (Rs.)	Nil	Nil	Nil	Nil	Nil
Net Asset Value (NAV) per share (Rs.)	13.26	14.03	14.02	14.08	14.07
Networth	26.26	27.77	27.75	27.87	27.86

Source: Audited Financial Statements

Notes:

1. Face value of each equity share is Rs.10/-.
2. For the calculation of Earnings per Share and Net Asset Value per share, number of equity shares outstanding at the end of the year has been considered.
3. Networth means aggregate of value of the paid-up share capital and free reserves (excluding revaluation reserves) reduced by the aggregate value of accumulated losses and deferred expenditure not written off (including miscellaneous expenses not written off) as per the audited balance sheet.

Mrs. Madhavi Swarup (wife of Mr. Ajay Swarup) and Mrs. Saroj Rani Swarup (Mother of Mr.

Ajay Swarup) together hold 100% shares in the company's equity.

Share Quotation

The Company is not listed in any Stock Exchange. The Company has not come out with any Public or Rights Issue since inception.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company and it is not a sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985.

12. SIDHI ESTATES PRIVATE LIMITED

Mr. Ajay Kumar Swarup is the promoter of the Company.

The Company was incorporated on January 11, 1988 with the Registrar of Companies, Delhi & Haryana, as a private limited company, with its registered office at 51-A, Friends Colony (East), New Delhi-110065. The main objects are to carry on business of Real Estate, leasing, selling, purchasing etc of immovable properties.

BOARD OF DIRECTORS

Mrs. Madhavi Swarup
Mr. Madhav Kumar Swarup

SHAREHOLDING

Sl.No.	Name of Shareholder	No. of Shares held	%age Shareholding
1.	Mrs. Madhavi Swarup	1,35,956	71.55
2.	Mrs. Saroj Rani Swarup	54,044	28.44
	TOTAL	1,90,000	100.00

The financial highlights for the last 5 years are given below

Year Ended March 31	(Rs. in lakhs)				
	2008-09 (Audited)	2007-08 (Audited)	2006-07 (Audited)	2005-06 (Audited)	2004-05 (Audited)
Total Income	-	0.98	0.75	0.86	0.77
Profit after tax (PAT)	(0.94)	(0.04)	(0.13)	(0.03)	(0.20)
Share Capital ⁽¹⁾	19.00	19.00	19.00	19.00	19.00
Reserves (excluding revaluation reserve)	2.30	2.30	2.30	2.30	2.30
Earnings per share (EPS) (Rs.)	Nil	Nil	Nil	Nil	Nil
Net Asset Value (NAV) per share (Rs.)	9.84	10.33	10.34	10.40	10.41
Net worth	18.69	19.62	19.65	19.77	19.78

Source: Audited Financial Statements

Notes:

1. Face value of each equity share is Rs.10/-.
2. For the calculation of Earnings Per Share and Net Asset Value per share, number of equity shares outstanding at the end of the year has been considered.
3. Networth means aggregate of value of the paid-up share capital and free reserves (excluding revaluation reserves) reduced by the aggregate value of accumulated losses and deferred expenditure not written off (including miscellaneous expenses not written off) as per the audited balance sheet.

Mrs. Madhavi Swarup (wife of Mr. Ajay Swarup) and Mrs. Saroj Rani Swarup (Mother of Mr.

Ajay Swarup) together hold 100% shares in the company's equity.

Share Quotation

The Company is not listed in any Stock Exchange. The Company has not come out with any Public or Rights Issue since inception.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company and it is not a sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985.

13. RIDHI ESTATES PRIVATE LIMITED

Mr. Ajay Kumar Swarup is the promoter of the Company.

The Company was incorporated on January 11, 1988 with the Registrar of Companies, Delhi & Haryana, as a private limited company, with its registered office at 51-A, Friends Colony (East), New Delhi-110065. The main business is to carry on business of Real Estate, leasing, selling, purchasing etc of immovable properties.

BOARD OF DIRECTORS

Mrs. Madhavi Swarup
Mr. Madhav Kumar Swarup

SHAREHOLDING

Sl. No.	Name of Shareholder	No. of Shares held	%age Shareholding
1.	Mrs. Madhavi Swarup	1,78,240	72.02
2.	Mrs. Saroj Rani Swarup	69,260	27.99
	TOTAL	2,47,500	100.00

The financial highlights for the last 5 years are given below

Year Ended March 31	(Rs. in lakhs)				
	2008-09 (Audited)	2007-08 (Audited)	2006-07 (Audited)	2005-06 (Audited)	2004-05 (Audited)
Total Income	-	1.08	0.82	0.95	0.85
Profit after tax (PAT)	(1.02)	(0.04)	(0.12)	(0.03)	(0.23)
Share Capital ⁽¹⁾	24.75	24.75	24.75	24.75	24.75
Reserves (excluding revaluation reserve)	0.56	0.56	0.56	0.56	0.56
Earnings per share (EPS) (Rs.)	Nil	Nil	Nil	Nil	Nil
Net Asset Value (NAV) per share (Rs.)	9.18	9.59	9.60	9.64	9.65
Networth	22.73	23.73	23.76	23.87	23.88

Source: Audited Financial Statements

Notes:

1. Face value of each equity share is Rs.10/-.
2. For the calculation of Earnings Per Share and Net Asset Value per share, number of equity shares outstanding at the end of the year has been considered.

3. Networth means aggregate of value of the paid-up share capital and free reserves (excluding revaluation reserves) reduced by the aggregate value of accumulated losses and deferred expenditure not written off (including miscellaneous expenses not written off) as per the audited balance sheet.

Mrs. Madhavi Swarup (wife of Mr. Ajay Swarup) and Mrs. Saroj Rani Swarup (Mother of Mr. Ajay Swarup) together hold 100% shares in the company's equity.

Share Quotation

The Company is not listed in any Stock Exchange. The Company has not come out with any Public or Rights Issue since inception.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company and it is not a sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985.

14. GLOBUS SPIRITS U.K. LIMITED

The Company was incorporated on March 29, 2007 with the Registrar of Companies for England and Wales, Companies House, Crown Way, Cardiff CF 14 3UZ, DX33050, Cardiff as a private company limited by liability, with its registered office at Mitre House, 44-46 Fleet Street, London EC4Y 1BN, United Kingdom.

The main objects of the company are to carry on the business as a General Commercial Company and, in conjunction with each other or as a separate and distinct undertakings, all or any of the following businesses: manufacturers, importers, exporters, agents, dealers (both wholesale and detail) in all articles of commercial, manufacturing, personal and household use and consumption in all kinds of raw materials, warehousemen, storage contractors, dealers in foods and provisions of all kinds, wine and spirit merchants, licensed victuallers etc.

The Authorised Share Capital of the Company is 1000 Ordinary Shares of £ 1.00000 each.

Company No.: 06191164

BOARD OF DIRECTORS

Dr. Bhaskar Roy

The Paid-up Share Capital of the company is 1£. The Nominal value of each Equity Share is 1 £. The company is a wholly owned subsidiary of Chand Bagh Investments Limited.

The financial highlights of the Company as on 31st March 2008 are as follows :

(In £)		
Particulars	Period ended 31.03.2009 (Audited)	Period ended 31.03.2008 (Audited)
Cash at bank and in hand	1	1
Net Assets	1	1
Issued Share Capital (I Ordinary Share of £ 1.00000 each)	1	1
Total Shareholders Fund	1	1

Source: Audited Financial Statements

Notes :

1. The Face Value of the Equity Share is £ 1

2. For the year ending 31.03.2009, the company was entitled to exemption under Section 249AA(1) of the U.K. Companies Act, 1985
3. The members have not required the company to obtain an audit in accordance with Section 249B(2) of the U.K. Companies Act 1985
4. The Directors acknowledge their responsibility for :
 - Ensuring the company keeps accounting records which comply with Section 221 and
 - Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit and loss for the financial year in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Companies Act relating to accounts so far as it is applicable to the company.

Share Quotation

The Company is not listed in any Stock Exchange.

The financial information of the above companies have been disclosed as per the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines.

Details Of Companies/Firms From Which Promoters Have Disassociated

Mr. Ajay Kumar Swarup, one of the Promoters of SVP Industries Limited, a company engaged in the business of manufacturing Rectified Spirit, Extra-Neutral Alcohol, Country Liquor and IMFL, has disassociated himself from the said company with effect from May 1, 2007. He has disassociated himself in terms of disengaging from its supervision, day-to-day activities, employment and shareholding.

The business of Globus Spirits Limited has been demanding more time, energy and attention of Mr. Ajay Kumar Swarup. Mr. Swarup, being the sole individual promoter of Globus Spirits Limited, considered it necessary that he concentrate on the growth of Globus Spirits, looking into its potential and growth. SVP Industries Limited was a family concern where he was holding 10.1% of its Equity. He has since sold his entire holding to other family members last year and w.e.f 1.5.2007 has also resigned as President from SVP Industries Limited. He has no controlling interests in the said company. It was felt that having controlling interest in Globus and seeing the increase in the business in the Company by launching new products needed his time and devotion.

Mr. Ajay Swarup, the promoter of the Company has transferred his shareholding and also resigned from the directorships of the following companies:

- Vithal Properties Private Limited
- Jaroda Plantations Private Limited
- Rambagh Estates Private Limited
- Shaktiman Properties Private Limited (only Shareholding has been transferred)
- Sidhi Estates Private Limited and
- Ridhi Estates Private Limited.

The majority of the shares as well as the office of directorship of these companies are now held by the relatives of the promoter, who have been included in the promoter group. The details of shareholding, directorships and the financials of these companies have been detailed under the heading 'Financial Information of Companies, Firms Promoted/Controlled by the Promoters' starting at Page No. 174 of this Red Herring Prospectus

Details Of Group Companies Whose Names Have Been Struck Off From RoCs

None of the Companies promoted by the Promoters has been struck off as a defunct Company by any ROC in India. There are no sick companies promoted by the Promoters. There are no BIFR proceedings against any company promoted by the Company's Promoters.

Common Pursuits

There are no companies/firms/ventures, which are/have been in similar business as Globus Spirits Limited except as stated at page no. xx of the Red Herring Prospectus.

Changes in Accounting Policies in The Last Three Years

There has been no change in the Accounting Policies of the Company in the last three years.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is the discussion of the financial condition and results of operations together with the Company's audited restated financial statements for the fiscal years ended March 31, 2006, 2007, 2008 and 2009, including the significant accounting policies and notes thereto and reports thereon which appear in this Red Herring Prospectus. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and as required under the SEBI Guidelines.

Unless indicated otherwise, the financial data in this section is derived from the Company's restated financial statements prepared in accordance with Indian GAAP and included in this Red Herring Prospectus. The Company's fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the 12 month period ended March 31 of that year. This discussion contains forward-looking statements that involve risks and uncertainties. The actual results may differ from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Red Herring Prospectus, particularly under "Risk Factors" beginning on page no. xi of this Red Herring Prospectus.

i. OVERVIEW OF THE BUSINESS OF THE COMPANY

The Company was incorporated as Globus Agronics Limited on 16th February, 1993 under the Companies Act, 1956 and received Certificate of Commencement of Business on 19th March, 1993 from the Registrar of Companies, Delhi and Haryana at New Delhi. Name of the Company was changed to Globus Spirits Limited on 23rd January, 2007 and certified by the Registrar of Companies.

The Company at present has its Registered Office at C-631, New Friends Colony, New Delhi – 110 065. The Company is promoted by well experienced and qualified entrepreneur, whose family has over three decades of experience in the liquor industry and distilleries.

Significant Development subsequent to the last financial statement

The Company's last financial year ended on March 31, 2009. To the Company's knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Red Herring Prospectus which materially and/or adversely affect or are likely to affect, the manufacturing, trading or profitability of the Company or the value of its assets, or its ability to pay material liabilities within the next twelve months.

Factors that may affect Results of the Operations

- The major cause for qualification under this category could be drastic change / principal shift in the policy of the Central / State Governments imposing complete prohibition in the State.
- As this Industry is essentially dependent on agri-product inputs as raw material, all trends/ uncertainties related to agricultural production have an impact on all of the above. This, at best, can only be forecast using the traditional tools available largely with the Government sector.
- Besides, changes in Government policy regarding opening up of the market economy can have significant, though short term, impact on sales, revenue and income.
- Any slowdown in the economic growth and business conditions in India.

Discussions On Results Of Operations

The following discussion on the financial operations and performance should be read in conjunction with the audited financial results of the Company for the years ended March 31, , 2006, March 31, 2007, March 31, 2008 and March 31, 2009.

A summary of past financial results for last four years based on the restated statement of accounts is as under:

(Rs. in Lakhs)

Particulars	31.3.2006	31.3.2007	31.3.2008	31.3.2009
Sales (Net Of Excise Duty)	8683.41	11199.53	15692.37	19713.30
Other Income	16.61	49.21	276.36	266.12
Increase (Decrease) in inventories	(62.47)	123.50	188.73	215.98
Total Income	8637.55	11372.24	16157.46	20195.40
Expenditure				
Raw Material & Packing Material Consumed	5593.92	7167.89	9844.45	12633.37
Manufacturing Expenses	1539.71	2005.28	2327.18	3021.17
Administrative, Selling and Other Expenses	500.12	445.64	1274.61	1366.91
Staff Costs	138.58	201.65	257.99	310.46
Total Expenditure	7772.33	9820.46	13704.24	17331.91
PBIDTA	865.22	1551.78	2453.22	2863.49
Interest & Finance Charge	40.29	53.29	106.40	296.22
Depreciation	205.37	273.83	394.69	573.48
Fringe Benefit Tax	2.77	3.58	6.08	5.56
PBT	616.79	1221.08	1946.05	1988.23
Provision for Taxation including deferred Tax	92.91	355.56	681.89	695.08
PAT	523.88	865.52	1264.16	1293.15

RESULTS OF OPERATIONS OF THE COMPANY FOR COMPARISON OF PAST THREE YEARS

Particulars	2005-06	2006-07	2007-08	2008-09
Total Income	8637.55	11372.24	16157.46	20195.40
Raw Material Consumed	5593.92	7167.89	9844.45	12633.37
Raw Material Consumed as a % of Total Income	64.76%	63.03%	60.93%	62.56%
Manufacturing Expenses	1539.71	2005.28	2327.18	3021.17
Manufacturing Expenses as a % of Total Income	17.83%	17.63%	14.40%	14.96%
Administrative, Selling & Other Expenses	500.12	445.64	1274.61	1366.91
Administrative & Selling Expenses as a % of Total Income	5.79%	3.92%	7.89%	6.77%
Staff Costs	138.58	201.65	257.99	310.46
Staff Costs as a % of Total Income	1.60%	1.77%	1.60%	1.54%
PBIDTA	865.22	1551.78	2453.22	2863.49
PBIDTA as a % of Total Income	10.02%	13.64%	15.18%	14.18%

Interest & Finance Charge	40.29	53.29	106.40	296.22
Interest & Finance Charge as a % of Total Income	0.47%	0.47%	0.66%	1.47%
Depreciation	205.37	273.83	394.69	573.48
Depreciation as a % of Total Income	2.38%	2.41%	2.44%	2.84%
PBT	616.79	1221.08	1946.05	1988.23
PBT as a % of Total Income	7.14%	10.74%	12.04%	9.84%
PAT	523.88	865.52	1264.16	1293.15
PAT as a % of Total Income	6.07%	7.61%	7.82%	6.40%

For Financial Year Ended 31st March 2009 vis a vis 31st March 2008

Sales Revenues

Net Sales (net of excise) increased from Rs.15,692.37 Lac in the FY 2007-08 to Rs. 19,713.30 Lac for the FY 2008-09. An overall increase of 25% was due to an increased sales of Industrial Spirits, increase in the sales of Country Liquor cases for the FY 2008-09. As against 1,23,94,550 BL of Industrial Spirits and 47,38,214 cases of Country Liquor sold in FY 2007-08, GSL sold 1,35,07,262 BL of the Industrial Spirits and 49,23,042 cases of Country Liquor in 2008-09. IMFL sales of franchise & own brands also increased in FY 2008-09 to 9,43,719 cases from 6,15,374 cases in FY 2007-08 which also contributed to the growth in sales revenue substantially.

Total Income

The rise in total income is due to rise in sales as explained above. The other income is at the same level as per last year.

Raw Material Consumed

Raw Material consumption for the FY 2008-09 was 62.56% of the Total Income at Rs. 12,633.37 Lacs as against 60.93% of Total Income in FY 2007-08 at Rs. 9,844.45 Lacs. In proportion to the Total Income, the raw material consumption increased by approx 2% for the periods under comparison. The increase was due to a rise in the input costs (Raw material prices) in the Financial Year 2008-09.

Manufacturing Expenses

Manufacturing expenses increased from 14.40% of the Total Income in 2007-08 to 14.96% in 2008-09. This is due to additions in bottled products of IMFL from 6,15,374 cases in FY 2007-08 to 9,43,719 cases in FY 2008-09.

Staff Costs

Given economies of scale the staff cost dropped marginally from 1.60% of the Total Income in 2007-08 to 1.54% in FY 2008-09.

Administrative & Selling Expenses

The administrative and selling expenses during FY 2008-09 decreased to 6.77% of the Total Income from 7.89% in FY 2007-08. Though the selling expenses in absolute figures rose from Rs.1020.72 lacs in FY 2007-08 to Rs 1134.27 Lacs in FY 2008-09, the administrative expenses dropped from Rs 236.01 lacs in FY 2007-08 to Rs 214.76 Lacs in FY 2008-09, due to control on overheads.

Profit Before Interest, Depreciation, Tax and Amortization (PBIDTA)

PBIDTA increased from INR 2,453.22 Lacs in FY 2007-08 to INR 2,863.49 Lac in the previous FY. PBIDTA as a percentage to Total Income was 14.18% as compared to 15.18% in FY 2007-08. The decrease was due to a rise in the cost of raw Materials.

Interest and Finance Expenses

The interest and finance charges grew by 0.81% in proportion to the Total Income from FY ended 2007-08 which was on account of an increase in the borrowings raised in order to fund the enhanced operations of new IMFL market. The FY 2008-09 also witnessed an escalation in the interest rates.

Depreciation

Depreciation was charged at INR 573.48 Lac in FY 2008-09 as against INR 394.69 Lac in the previous year. The increase can be attributed to the depreciation charged on the additional gross block of Rs. 2589.75 lacs purchased during the Financial Year.

Profit after Tax (PAT)

In absolute terms PAT grew from Rs. 1264.16 lacs in FY 2007-08 to Rs. 1293.15 lacs in FY 2008-09. Although the proportionate earnings grew with the increase in value added products, PAT as a percentage to Total Income decreased from 7.82% in FY 2007-08 to 6.40% in the FY 2008-09 which was on account of Raw Material Costs, Selling Expenses, Finance Cost and Depreciation.

For Financial Year Ended 31st March 2008 vis a vis 31st March 2007

Sales Revenues

During FY 2007-08, net sales (net of excise) jumped to INR 15692.37 Lac from INR 11199.53 Lac in the previous year. An over 40% rise is clearly explained by increase in sale of Industrial Spirit and number of Country Liquor cases in FY ending 2008. Against 90,60,121 BL of Industrial Spirit and 41,86,322 cases of Country Liquor sold in FY 2006-07, GSL sold 1,23,94,550 BL of the Indl. Spirit and 47,38,214 of Country Liquor. IMFL sales of franchise & own brands also started during FY 2007-08. This also contributed substantially to the growth in sales revenue.

Total Income

In the total income besides sales, Other Income also grew from INR 49.21 Lac in FY 2006-07 to INR 276.36 Lac in FY 2007-08. During FY ended 2008, GSL installed and commissioned "decanter" in its Behror, Rajasthan Unit for collecting sludge. The sludge was sold as cattle feed which fetched additional revenue clubbed as Miscellaneous Income with the Other Income in Profit and Loss Account of that year.

Raw Material Consumed

Raw Material Consumed during FY 2007-08 was 60.93 % of the Total Income at INR 9844.45 Lac against 63.03% of Total Income in FY 2006-07 at INR 7167.89 Lac. In proportion to Total Income the raw material consumption dropped by approx 2% as the year witnessed production of IMFL with higher value addition.

Manufacturing Expenses

Manufacturing expenses dropped from 17.63% of the Total Income in 2006-07 to 14.40% in 2007-08. Although the main factor again was introduction of value added products resulting in higher contribution, during the previous financial year GSL concentrated on more judicious use of resources and input costs, which further optimized the operations.

Staff Costs

Given economies of scale the staff cost dropped marginally from 1.77% of the Total Income in 2006-07 to 1.60% in FY 2007-08.

Administrative & Selling Expenses

The admin and selling expenses during FY 2007-08 shot to 7.89% of the Total Income from 3.92% in FY 2006-07. This is simply explained as commencement of operations under Franchisee Agreement with BDA and during the year GSL paid INR 682.64 Lac of royalty to BDA which was non existent in the immediately preceding financial year.

Profit Before Interest, Depreciation, Tax and Amortization (PBIDTA)

PBIDTA increased from INR 1551.78 Lac in FY 2006-07 to INR 2453.22 Lac in the previous FY, which on Total Income was a 1.54% growth. The same was a result of higher contribution from GSL's products sold during the year.

Interest and Finance Expenses

The interest and finance charges grew by a marginal 0.19% in proportion to the Total Income from FY ended 2007 to 2008. The same was on account of increase in borrowings to fund the enhanced operations. The year also witnessed escalation in the interest rates.

Depreciation

The depreciation was charged at INR 394.69 Lac in FY 2007-08 as against INR 273.83 LAC in year ended 2007. The increase can be attributed to additions during the year.

Profit after Tax (PAT)

As a percentage to Total Income, PAT grew from 7.61% in FY 2006-07 to 7.82% at the close of previous FY. Although proportionate earnings grew with value added products gifting higher contributions, full benefit is not visible in PAT as it was contained by higher Admin & Selling Exp., Finance Cost and Depreciation.

For Financial Year Ended 31st March 2007 vis a vis 31st March 2006**Sales Revenues**

Sales revenue (net of excise) during the year 2006-07 grew to Rs. 11199.53 lakhs from Rs. 8,683.41 lakhs during the year 2005-06. This 29% jump was mainly on account of quantitative growth in sale of products in the states of Haryana, Rajasthan and Delhi. Main contribution in the growth came from bottled liquor, sales of which grew by 24.56% during FY 06-07.

Raw Material Consumed

Raw Material Consumed was Rs 7167.89 lakhs (i.e., 63.03% of total income) in FY 2006-07, which in the previous year ended 31.03.2006 was Rs. 5593.92 lakhs (i.e., 64.76% of the total income). Although in percentage terms of total income, Raw Material consumption was comparable in both the years, but in absolute terms it increased in the year 2006-07 matching growth in sales/production. Small variance is attributable to general price fluctuations.

Manufacturing Expenses

Manufacturing Expenses as a percentage of total income were 17.63% in FY 2006-07 compared with 17.83% in FY 2005-06. Again this expenditure is comparable for both the years in proportion to scale of operations.

Staff Costs

Staff costs as percentage of total income escalated from 1.60% in the year 2005-06 to 1.77% in 2006-07. In absolute terms the same increased by Rs 63.07 lakhs i.e., by 45.51% due to increase in staff and yearly increments. The team was strengthened to support the growing product range and scale of operations.

Administrative & Selling Expenses

Administrative and selling expenses were 3.92% of total income in the year 2006-07 as against 5.79% of total income for the year 2005-06. During FY 2006-07 "Discounts Claims and Rebates" came down to Rs. 31.36 lakhs from Rs. 99.19 lakhs in FY 2005-06 and "Royalty to UDV/TDV" declined from Rs. 241.98 lakhs in the immediately preceding FY to Rs.0.01 lakhs. However after accounting for normal inflation in other administrative costs, these, in absolute terms dropped by Rs. 57.25 Lakhs. Specific expenses on rebates and royalty decreased on account of severance of bottling tie-ups with IMFL manufacturers.

Profit Before Interest, Depreciation, Tax and Amortization (PBIDTA)

PBIDTA for the year ended March 31 2007 increased to Rs. 1551.78 lakhs from Rs 865.22 lakhs in the previous FY 2005-06; an increase of 79.35%. This spurt is explained by marginal savings in the cost of raw material consumed (1.73% of total income amounting to approx. Rs. 197 lakhs) and significant drop in the administrative and selling expenses (1.87% of total income amounting to Rs. 217 lakhs).

Interest Expenses

Interest and Finance charges as percentage of total Income remained same in both the years i.e., 0.47%, though in absolute terms the interest in FY 2006-07 was higher by Rs. 13 lakhs as compared to FY 2005-06. This is due to fresh loan and its usage during the year.

Depreciation

Depreciation is marginally higher in FY 2006-07 at Rs 273.83 lakhs as compared to Rs 205.37 lakhs in FY 2005-06 due to additions in fixed assets (largely plant and machinery worth Rs. 822 lakhs) to support enhanced production.

Profit after Tax (PAT)

PAT in the FY 2006-07 was Rs. 865.52 lakhs as compared to Rs. 523.88 lakhs in FY 2005-06, a 65.21% rise. Besides contribution from a higher turnover in the year under context, more than proportionate growth in PAT is explained by reasons quoted for a higher PBIDTA above.

INFORMATION REQUIRED AS PER CLAUSE 6.10.5.5. OF SEBI DIP GUIDELINES**1. Unusual or infrequent events or transactions:**

The various events / transactions that could fall in this category are strike / lockout due to issues related to industrial relations and/or political intervention, political unrest leading to bandhs/chakka jam etc.; major natural calamity like earthquakes, floods etc., accidents like fire/major equipment like boiler/turbine breakdown.

There have been no events, which may be called "unusual" or "infrequent".

2. Significant economic changes that materially affected or are likely to affect income from continuing operations:

- The only major cause for qualification under this category could be drastic change / principal shift in the policy of the Central / State governments imposing complete prohibition of sale of liquor in the State.
- It is however observed that this action on part of any Government would be untenable looking at the contribution to the revenues from this industry. In fact, States cannot even contemplate taking away this major source of revenue from them. The country has witnessed some states first enforcing prohibition and later relaxing/withdrawing it.

3. Known trends or uncertainties that has had or is expected to have a material impact on sales, revenue or income from continuing operations:

- As this industry is essentially dependent on agri-product input as raw material, all trends / uncertainties related to agricultural production have an impact on all of the above. This, at best, can only be forecast using the traditional tools available largely with the Government sector.
- Besides, changes in Government policy regarding opening up of the market economy can have significant, though short term, impact on sales, revenue and income.
- The Company, with the help of technology, has mitigated the above wherever possible, like being able to process a variety of agri raw materials in the event of crop failures in one or two commodities.
- Similarly, constant interaction with the Government representatives and their overt dependence on the revenues from this Industry in the State is the only mitigating factor for uncertainties related to policy.

4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known:

- The structure of the business is such that any such change, as it happens, has a proportionate relationship to the price of the end product. This leads to a fair amount of consistency in earning ratios. In fact, the main reason for this is the non-alternative nature of this product i.e., there is no replacement for potable alcohol as an intoxicant or a life style consumer product.

Similarly, for consumers like fuel companies and chemical manufacturers, alcohol does not have any viable alternative currently. Science and technology inventions do provide a scope but the same also holds true for current technological advancements and Research & Development efforts towards mitigating such risks.

5. **The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices:**

- Yes, the major contributor to increases in net sales or revenue are sales volumes due to basic increase in consumption patterns socially, increase in per capita consumptions year upon year and increased sales prices primarily due to increases in the duties payable to the government as well as increase in cost of input.
- However, another contributor to increased net sales or revenue is the constant effort on cost reduction with the help of technological input in the system and economies of scale, which become better year upon year.

6. **Total Turnover for the Industry**

Please refer to the discussions in the section titled "Industry Overview" beginning on page no. 64 of this Red Herring Prospectus.

7. **The extent to which the business is seasonal:**

The business is not seasonal as the demand and consumption is prevalent throughout the year.

8. **Any significant dependence on a single or few suppliers or customers:**

Though the agri raw materials being used by the industry are seasonal in nature, the production, consumption and storage norms that have evolved over a period of time are such that this is not a risk.

Further, there is virtually no dependence on any particular supplier or group of suppliers or customers.

9. **Competitive conditions:**

The competitive conditions are like that of any FMCG product. However, in this industry, securing the use of basic raw material like molasses is an issue, which for stand-alone distilleries requires special efforts.

This has been mitigated by ensuring large storage capacities and the ability to process multiple raw materials like grain etc. in the event of a storage / high price of molasses.

10. **Competitive position of the company within Indian market and overseas with reference to market share, major competitors and new capacity coming up:**

There is no impact on the position of the company as far as overseas products and companies are concerned due to completely different market segment that is being addressed by the Company.

However, domestically the Company's competitive position can be impacted with new capacities and competitor activities. This is mitigated by the fact that the pace of capacity addition is similar to that of overall growth of the market.

Further, constant improvement efforts in terms of quality and costs of production, the Company's competing market strategies and its current product / brand franchise in the segments the Company is present in acts as a mitigant.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Litigation involving the Company

There are no outstanding litigations, defaults etc pertaining to matter likely to affect operations and finances of the company including prosecution under any enactment in respect of Schedule XIII of the Companies Act, 1956 (1 of 1956).

No disciplinary action / investigation has been taken by Securities and Exchange Board of India (SEBI)/ Stock Exchanges against the Company, its directors, promoters, promoter group and their other business ventures (irrespective of the fact whether or not they fall under the purview of section 370(1B) of the Companies Act 1956.)

Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, potential disputes, labour disputes, bargains and demands, investigations, Central / State Government claims proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or, alleging criminal or economic offences or tax liabilities or any other offences or inquires proceedings or tax liabilities, overdue to banks/financial institutions, defaults against banks/financial institutions, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part I of Schedule XIII of the Companies Act) other than unclaimed liabilities of the Company or its Group Companies or its promoters or its directors and no defaults of non-payment of statutory dues against the Company including under the customs, sales tax, income tax and service tax save and except the following.

Further there are no defaults, non-payments or overdue of statutory dues, institutional/bank dues and dues payable to holders of debentures or fixed deposits and arrears of cumulative preference Shares.

In terms of Clause 6.11.1.1(g), as at June 30, 2009 the Company does not owe any sum to any Small Scale Undertaking, which is outstanding for more than 30 days.

1. LITIGATIONS FILED BY THE COMPANY:

(a). Writ Petitions

Sl. No.	Parties/ Case no./ Court	Particulars of the Case	Amount involved	Financial or other impact on the Company in case of an adverse decision	Present Status
1.	Globus Agronics Ltd. Vs. State of Rajasthan & Ors SB. Civil Writ Petition No. 9257 of 2005 High Court of Rajasthan at Jaipur	The Company has filed a Writ Petition under Article 226 of Constitution of India in the matter of Section 11 and 12 of the Rajasthan Excise Act, 1950 and The Rajasthan Excise Rules, 1956 against the excise department for their notification regarding demand of fee under Rule 69B of the Excise rules on transportation/ captive consumption of goods (rectified spirit used in the manufacture of liquor) within the factory premises.	Duty of around Rs. 7,00,000 has been paid quo the transportation fee on the demand raised by the Department. Also, a sum of Rs. 20,70,000 has been paid as fee for the Year 2004-05.	The demands of duty made by the excise department have been paid by the Company under protest. In case of an adverse decision in the matter, the Company will loose the amount of duty paid.	First listed on 29.11.05 wherein Demand raised by excise department was stayed and on 19.12.05 stay of order dated 29.11.05 was confirmed. Thereafter no effective hearing has taken place. The matter has been fixed for hearing on October 24, 2009

(b). Recovery Suits

1.	<p>Globus Agronics Ltd.</p> <p>Vs.</p> <p>Rajasthan State Ganga Nagar Sugar Mills Ltd. (RSGSM)</p> <p>Case No. 387/2006</p> <p>District and Sessions Judge, Jaipur.</p>	<p>A claim petition was filed by the Company against RSGSM for refund of the amount deducted by RSGSM for delay in the supply of goods as liquidated damages, Permit fee and on account of shortfall in increased rates effected after increase in the excise duty for Rectified Spirit. The case was heard by a Sole Arbitrator appointed by the Director in charge of RSGSM who announced his award on 13.4.2006 rejecting all the claims of the Company.</p> <p>The Company being aggrieved by the said award has filed an application under Section 34 of the Arbitration and Conciliation Act for setting aside the award.</p>	Rs. 5,16,045 plus interest @ 24% p.a. on the above amount from the date the sum became payable to the Company.	The Company has already made all the payments for which it has claimed refund. The Company will suffer loss of the amount (being claimed as refund) not paid by the Respondents.	<p>The application of the Company u/s 34 of the Arbitration and Conciliation Act for setting aside the award which was pending for final hearing before the Court of District and Sessions Judge, Jaipur City has been transferred to the Court of Additional District Judge No.1 on March 20, 2009. On March 20, 2009, record of the matter from the Sole Arbitrator was ordered to be called for and the matter was fixed for hearing on August 1, 2009. Since on August 1, 2009, the record from the Sole Arbitrator was not available, the Court did not pass any order and fixed the next date of hearing on October 31, 2009.</p>
2	<p>Globus Agronics Limited</p> <p>Vs.</p> <p>State Of Rajasthan & Ors.</p> <p>S.B. Sales Tax Revision No. 33 of 2006</p> <p>Hon'ble Rajasthan High Court at Jaipur</p>	<p>The Company had applied for tax exemption under the Rajasthan Sales Tax Incentive Scheme, 1989 ("Scheme") and was accordingly granted the eligibility certificate to this effect by the concerned authorities on November 25, 1997. The Company was exempted from payment of 75% of the total tax liability for a period of 7 years from May 20, 1997 till May 19, 2004 for its products under the Scheme.</p>	Cannot be quantified	The Company has already made the entire demand of sales tax as due. If the case is decided against the Company, the Company would not get refund of the said amount.	<p>The matter was listed on April 05, 2006 wherein the Hon'ble Rajasthan High Court, Jaipur issued notice to the Respondents. Subsequently, the matter was listed for placing additional documents on record and the</p>

		<p>The Company could not avail the benefits of tax exemption as granted under the Scheme on account of closure of its factory due to unforeseen reasons of strike and lock outs. Thereafter, the Company filed an application before the State Level Screening Committee ("SLSC") seeking extension of the exemption period to a further period of 10 months and 4 days.</p> <p>The SLCC dismissed the application of the Company vide order dated December 02, 2004 against which the Company filed an appeal (Appeal No.74 of 2005) before the Rajasthan Tax Board, Ajmer. The Rajasthan Tax Board dismissed the appeal vide order dated November 30, 2005 without going into the merits of the case.</p> <p>Thereafter, the Company has vide a revision petition challenged the order dated November 30, 2005 of Rajasthan Tax Board, Ajmer vide which the benefit of incentive Scheme as sought to be extended by the Company was rejected.</p>			<p>same was allowed by the Court. Again on August 13, 2007, arguments took place and as no specific counter to the additional documents were filed by the Department, the Company sought time to file counter to the additional document. Subsequently, the matter was listed on various occasions but no effective hearing took place in the matter. The matter is now listed for hearing on August 24, 2009 as per the tentative list of the registry.</p>
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2. LITIGATIONS FILED AGAINST THE COMPANY:

(a) Writ Petitions

Sl. No.	Parties/ Case no. / Court	Particulars of the Case	Amount involved	Financial or other impact on the Company in case of an adverse decision	Present Status
1.	<p>M/s H. H. Bottling Plant, Sriganganagar Rajasthan</p> <p>Vs.</p> <p>State of Rajasthan, Global Agronics Limited & Ors</p>	<p>The petitioners have filed the writ petition against the amendment of the excise and liquor sourcing policy for the Year 2005-06 and 2006-07 implemented by the State of Rajasthan whereby a licensee of country liquor is compulsorily required to obtain his requirement of</p>	Can't be quantified.	In case of an adverse decision it may effect the operations and profits of the Company in the State.	As per the information available on-line on the website of Hon'ble Rajasthan High Court, notice has been issued on April 23, 2009, however, the same

	SB. Civil Writ Petition No. 3454 of 2005 under Article 14 & 265 of the Constitution of India and in the matter of Rajasthan Excise Act, 1950 ad Article 47 of the Constitution of India. High Court of Rajasthan at Jodhpur.	liquor from the Respondents distilleries, and the fact that only three private distilleries and the government distillery were permitted to obtain rectified spirit from outside the state of Rajasthan and none else. The Petitioners claim is that the policy is arbitrary and clearly aims at creating a monopoly in favour of the Respondents.			and/or its service is incomplete.
2.	M/s Rajasthan Liquor Bottlers Association & Ors Vs. State of Rajasthan and ors SB. Civil Writ Petition No. 2344 of 2005 under Article 226 of the Constitution of India in the matter of Articles 14, 19, 265 and 300 A of the Constitution of India and in the matter of the Rajasthan Excise Act, 1950 High Court of Rajasthan at Jaipur	The petitioners have filed the writ petition against the amendment of the excise and liquor sourcing policy for the Year 2005-06 and 2006-07 implemented by the State of Rajasthan whereby a licensee of country liquor is compulsorily required to obtain his requirement of liquor from the Respondents distilleries, and the fact that only three private distilleries and the government distillery were permitted to obtain rectified spirit from outside the state of Rajasthan and none else. The Petitioners claim is that the policy is arbitrary and clearly aims at creating a monopoly in favour of the Respondents. The Company was originally not made a party in the writ petition. However, the Company had filed an application for impleadment as a respondent and has also filed its reply.	Can't be quantified.	In case of an adverse decision it may effect the operations and profits of the Company in the State.	Pending for final hearing. Date will be fixed later.

(b) Labour Cases:

Sl. No.	Parties/ Case no. / Court	Particulars of the Case	Amount Involved (In Rupees)	Financial or other impact on the Company in case of an adverse decision	Present Status
1.	Globus Agronics Shramik Union Vs	Dispute as regards the non-payment of salary to workers during the period of strike in the year 1999-2000 and 2000-2001, and bonus and	N/A	N/A	The case has been decided on September 14, 2007 against the

	State of Rajasthan & others SB. Civil Writ Petition No. 6091 of 2004 High Court of Rajasthan at Jaipur	exgratia payments were raised. A settlement was arrived at by the Company and the Union. An application was made before the Labour Commissioner under Section 33-C(1) of the Industrial Disputes Act where the Labour Union which was dismissed. The Labour union filed a writ against the same.			petitioner.
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The following pending litigations appear as per the website(s) of the concerned courts(s). The Company, however is not aware of the details of the said cases and as such the financial implications cannot be ascertained :

Sl. No.	Parties/	Case no. / Court	Present Status
1	Globus Spirits Limited Vs. State of Rajasthan and Ors	Writ Stay Petition No.785 of 2007 Hon'ble High Court of Rajasthan, Jaipur	For Orders
2	Globus Spirits Limited Vs. State of Rajasthan and Ors	Writ Stay Petition No.7768 of 2007 Hon'ble High Court of Rajasthan, Jaipur	Admission with Notice Served
3	Globus Spirits Limited Vs. State of Rajasthan and Ors	Writ Stay Petition No.7953 of 2005 Hon'ble High Court of Rajasthan, Jaipur	For Orders

3. Litigations of the Companies in the same group:

(a) Case related to Cess payments etc and other Government Departments

Sl. No.	Parties/ Case no. / Court	Particulars of the Case	Amount Involved	Financial or other impact on the Company in case of an adverse decision	Present Status
1.	M/s. Associated Distilleries Ltd. Vs. Haryana State Pollution Control Board (HSPCB) Civil Judge, Senior Division, Hisar	HSPCB issued notice & recovery order for Rs.1,65,750/- as charges inclusive of cess, penalty and interest on the Cess amounting to Rs 56,508 for the period from 1.1.1996 to 30.4.1997 to M/s. Associated Distilleries Ltd. M/s. Associated Distilleries Ltd. filed an appeal in the Appellate Committee formed under the Water (Prevention and Control of Pollution) Act, 1974. A suit has also been filed by M/s. Associated Distilleries Ltd in the Court of Civil Judge, Senior Division, Hisar. The	Rs. 1,65,750/-	In case of an adverse decision the Associated Distilleries will have to pay the whole amount of recovery.	Next hearing is fixed on November 10, 2009 for evidence of HSPCB

		recovery of the amount of cess payable has been stayed on a bank guarantee given by M/s. Associated Distilleries Ltd. in accordance with the order of the Court.			
2.	M/s. Associated Distilleries Ltd. Vs. State of Haryana & Others Additional District and Sessions Judge (Fast Track), Hisar.	Associated Distilleries Ltd. has laid down PVC pipeline through Public Works Department / Forest Land for carrying its trade effluent in the fields. The pipelines were dismantled by the Public Works Department. Associated Distilleries Ltd. has filed a suit against removal of its PVC Pipelines against the Public Works Department.	Can't be quantified.	N/A	Next hearing is fixed on November 16, 2009 for arguments on the application for amendment of plaint by the parties.
3.	M/s. Associated Distilleries Ltd. Vs. Haryana State Pollution Control Board (HSPCB) Appellate Committee constituted under the Water (Prevention and Control of Pollution) Cess Act, 1977 and Rules made thereunder.	Member Secretary / Assessing Authority, HSPCB issued an order on 27.6.2001 for recovery of Cess for the period 1.5.1997 to 14.6.2001 under Water (Prevention and Control of Pollution) Cess Act, 1977 on M/s. Associated Distilleries Ltd. M/s. Associated Distilleries Ltd appealed against issuance of orders for recovery on the grounds that the cess assessment was incorrect and the cess verification was done without complying with the provisions of the Act.	Rs. 2,71,498 /- as Cess.	In case of an adverse decision, Associated Distilleries will have to pay the whole amount of cess.	Next hearing is fixed for arguments by the parties. Date will be fixed later.

(b) Writ Petitions

Sl. No.	Parties/ Case no. / Court	Particulars of the Case	Amount Involved	Financial or other impact on the Company in case of an adverse decision	Present Status
4.	Associated Distilleries Ltd. Vs. State of Haryana & The Prohibition and Excise Commissioner, Haryana C.W.P 11641 OF 1997	A notification under Section 57A of the Punjab Excise Act, 1914 was issued by the Commissioner and Secretary, Prohibition and Excise on 21.3.1995 whereby the condition of use of old and new quart sized bottles in the ratio of 50:50 was laid for the packaging of liquor.	Rs. 27,63,894 /- of penalty	In case of an adverse decision, Associated Distilleries will have to pay the whole amount of penalty.	Final Arguments have been completed and the Case has to come for final hearing. Date to be fixed later.

	High Court of Punjab And Haryana at Chandigarh.	A notice was issued on Associated Distilleries Ltd. in the year 1995-96 imposing penalty for alleged non-compliance of the notification by the department which was confirmed by the Commissioner. A writ petition was filed by Associated Distilleries Ltd. in the High court claiming that the notification was <i>ultra vires</i> and on the ground that there was a shortage of new bottles for packaging of liquor and therefore old bottles were used. In the interim, Associated Distilleries Ltd. also filed a Special Leave Petition in the Hon'ble Supreme Court of India against the order dated 13.10.1997 of the Hon'ble High Court asking for the payment of whole amount of penalty. The Hon'ble Supreme court directed Associated Distilleries to deposit Rs 10,00,000 and ordered that the rest of the issue is to be decided by the Hon'ble High Court .			
5.	Associated Distilleries Ltd. Vs. Excise & Taxation Commissioner, Haryana, Chandigarh Excise & Taxation Commissioner, Haryana, Chandigarh.	The Government provided for the ratio of filling old and new bottles and on account of excess filling of old bottles, the recovery orders were passed by Excise & Taxation Commissioner, Haryana.	Rs. 11,11,279 of penalty.	In case of an adverse decision, Associated Distilleries will have to pay the whole amount of penalty.	Adjourned till disposal of Case No. C.W.P 11641/1997 as the point in issue is similar.

(c) Recovery Suits

Sl. No.	Parties/ Case no. / Court	Particulars of the Case	Amount involved	Financial or other impact on the Company in case of an adverse decision	Present Status
6.	Associated Distilleries Ltd. Vs. Essar Liquor and Ors. Suit No. 153 of 2002. Civil Judge, Tis Hazari,	Associated Distilleries Ltd. appointed M/s Essar Liquor as the marketing agent for North Eastern Territory for sale of Indian Made Foreign Liquor by an agreement dated 29.11.1999 according to	Rs.2,33,780.50 (Rs. 2,14,477.50 plus Rs. 19303/- towards interest)	In case of an adverse decision or the Associated Distilleries will suffer the loss of the amount not paid.	Matter is pending for evidence of Defendants. Next date of hearing September 7, 2009

	New-Delhi.	which on account of any non payment by any party for supplies made the loss shall be shared between the Associated Distilleries Ltd. and M/s Essar Liquor. However for some supplies made against which payment was not received M/s Essar Liquor issued cheques which were dishonoured. Hence Associated Distilleries Ltd., filed a suit for recovery.			
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AGAINST OR BY THE PROMOTERS:

There are no cases / litigations filed by or against the promoters (i.e., M/s Chand Bagh Investments Limited and Mr. Ajay Kumar Swarup). There are no pending litigations by or against the directors, or group companies except as stated herein above.

The promoters, members of the promoters group, issuer, and companies/firms promoted by promoters are not detained as wilful defaulters by the Reserve Bank of India/Government authorities and there are no violations of securities laws committed by them in the past or pending against them.

MATERIAL DEVELOPMENTS

In the opinion of the Board of Directors of the Company, there have not arisen, since the date of the last financial statement disclosed in the Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect the profitability of the Company or the value of its assets or their ability to pay their material liabilities within the next twelve months.

GOVERNMENT APPROVALS/LICENSING ARRANGEMENTS

As per Notification No. FEMA 20 / 2000 - RB dated 3rd May 2000, as amended from time to time, under automatic route of Reserve Bank, the Company is not required to make an application for Issue of Equity Shares to NRIs/FIIs with repatriation benefits. However, the allotment / transfer of the Equity Shares to NRIs/FIIs shall be subject to prevailing RBI Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian tax laws and regulations and any other applicable laws.

The Company has all the necessary licenses, permissions and approvals, as may be applicable, from the Central and State Governments and other government agencies/certification bodies required for the business and no further approvals are required by the Company, except those approvals that may be required to be taken from any government or any other authority in the normal course of business from time to time to continue the activities, and those mentioned under the heading Risks Envisaged.

It must, however, be distinctly understood that in granting the below-mentioned approvals, the Government and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed.

In view of the approvals listed below, the Company can undertake this Issue and its current and proposed business activities and no further material approvals are required from any Government authority to continue such activities.

The following statement sets out the details of licences, permissions and approvals taken by the Company under various Central and State Laws for carrying out its business:

I. BEHROR UNIT, RAJASTHAN

Sl. No.	Name of Registration	Licence/Registration No. & Date	Name of Issuing Authority/Department
1.	Tax Identification Number (TIN)	08820700102 dated 26.8.1995 Valid until cancelled.	Asst. Commercial Taxation Officer Behror Circle- Bhiwadi Rajasthan
2.	Central Sales Tax Registration (For Behror Unit)	No. CST/0206/05103/BEHROR dated 26.8.1995 Valid from 21.3.1995 until cancelled.	Commercial Taxation Officer Behror Circle- Bhiwadi Rajasthan
3.	Rajasthan Sales Tax Registration (For Behror Unit)	No. CST/0206/05103/BEHROR dated 26.8.1995 Valid from 21.3.1995 until cancelled.	Assessing Authority
4.	RD-1 License to work Distillery in Premises. Licence to manufacture Spirit Grain,/on-molasses and Molasses based and bottle IMFL in the distillery. (For Behror Unit)	No. 5/98-99 dated 16.3.1999 Renewed upto 31.03.2010.	Excise Commissioner, Rajasthan Udaipur Rajasthan
5.	Permission u/s 25/26 of Water	No. F-12(2-198) RPCB/ G.I/	Rajasthan State Pollution

	(Prevention & Control of Pollution) Act, 1974 (For Behror unit)	76 dated 12.4.2007. Validity: 6.7.2006 to 30.6.2009 Company has applied for renewal of consent for the next 3 years vide letter dated 25.03.2009	Control Board Rajasthan
6.	Permission u/s 21(4) of Air (Prevention & Control of Pollution) Act, 1981 (For Behror unit)	No. F-12(2-198) RPCB/ G.I/ 73 dated 12.4.2007. Validity: 6.7.2006 to 30.6.2009 Company has applied for renewal of consent for the next 3 years vide letter dated 25.03.2009	Rajasthan State Pollution Control Board Rajasthan
7.	Environment Clearance Permission for manufacturing 15,000 KL per annum of Alcohol (Rectified Spirit, ENA and IMFL) (For Behror unit)	No-J-11011/7/96-1A.II(I) dated 28.6.1996. Validity: One time licence required at the time of installation of plant.	Joint Director Ministry of Environment & Forests Paryavaran Bhavan New Delhi
8.	Manufacture & Sale of Rectified Sprit & other Alcohol (For Behror unit)	Ref. No. 1/2006-07 dated 14.6.2006 Validity: 1.4.2004 - 31.3.2010	Excise Commissioner, Rajasthan Udaipur Rajasthan
9.	TAN Number (Behror Unit)	JPRG02997B Valid until cancelled.	Income Tax Department
10.	Factory Licence (For Behror unit) <i>Registration Licence to work a Factory</i>	No. RJ-22167 dated 04.02.2008 Validity: Upto 31.3.2012	Chief Inspector of Factories Jaipur Rajasthan
11.	Service Tax Registration for payment of Service Tax on transport of goods by Road Services (For Behror Unit)	Form ST 2 Registration No. AAACG2634BST001 dated 22.2.2005 Valid until cancelled.	Superintendent (Service Tax) Office of the Dy. Commissioner Central Excise Division, Alwar Rajasthan
12.	Permission for Energisation 1 x 400 KVA 11/1433 KV Transformer Sl. No. 29424 (For Behror unit)	Letter no. P.P.SE1.1/ /3063 dated 12.4.2006 Validity: One time permission required at the time of connection.	Senior Electrical Inspector Govt of Rajasthan Jaipur
13.	Certificate for use of Boiler Registry No. MP-2893 (For Behror Unit)	No. 253/75 dated 25.02.2009 Validity: 24.02.2009 – 07.02.2010	Chief Inspector Rajasthan State Boiler Inspection Department Jaipur Rajasthan
14.	Certificate for use of Boiler Registry No. M-3868 (For Behror Unit)	No. 253 / 41 dated 08.09.2008 Validity: 21.08.2008 - 20.08.2009	Chief Inspector Rajasthan State Boiler Inspection Department Jaipur Rajasthan
15.	Certificate for the use of an Economiser Registry No. 11/18 M-PE-76 (For Behror Unit)	Registration No. 11/28 dated 17.7.2006. Renewal vide letter No. 2210 dated 5.9.2006 Validity: 12.7.2006 - 9.5.2008 Applied for renewal of	Chief Inspector Rajasthan State Boiler Inspection Department Jaipur Rajasthan

		licence vide letter dated 02.05.2008	
16.	PF Registration (For Behror Unit)	RJ/9140 dated 26.2.1998 Valid until cancelled.	Regional Provident Fund Commissioner Regional Office, Jaipur, (Rajasthan)
17.	Employees State Insurance Registration (For Behror Unit)	No. 15/20852/66/3397 dated 29.5.2006 Valid until cancelled.	Dy. Director Employees State Insurance Corporation Jaipur Rajasthan
18.	Central Excise Registration (For Behror Unit) Registration for: Fusel Oil & Molasses	No. 04/BHR/CH-38/R- 174/98 dated 24.3.1998 Valid until cancelled.	Superintendent Central Excise Circle-Behror Dist: Alwar Rajasthan.
19.	Industrial Approval for manufacture of Undenatured Ethyl Alcohol, Rectified Spirit, Extra Natural Alcohol from Molasses and Grain Capacity: 5 Crore BL per annum (For Behror Unit)	SIA No. 312/SIA/IMO/95 dated 17.1.1995 Validity: One time licence required at the time of installation of plant.	Ministry of Industry Secretarial for Industrial Approvals Entrepreneurial Assistance Unit Government of India
20.	Licence for Manufacture and Bottling of Foreign Liquor under Franchise Agreement (Form- R.D. 2-A) (For Behror Unit)	Licence No. 12/1999-2000 dated 23.12.1999 Renewed upto: 31.3. 2010	Excise Commissioner, Rajasthan Udaipur Rajasthan
21.	IMFL Sale/Bond Licence (For Behror Unit)	4/98-99 dated 16.3.1999 Renewed upto: 31.3. 2010	Excise Commissioner Udaipur Rajasthan
22.	Licence for bottling and sale of Country Liquor (For Behror Unit)	No. 6/2004-05 dated 24.3.2004 Renewed upto: 31.3.2010	Excise Commissioner Udaipur Rajasthan
23.	Molasses Storage Licence (For Behror Unit)	No. 01/2000-01 dated 22.4.2000 Renewed upto: 31.3.2010	District Excise Officer, Rajasthan Excise, Alwar, (Rajasthan)
24.	Consent for addition of bottling equipments and construction of Godown (For Behror Unit)	No. P-32/B/138/Non- Molasses/AB/L96-TTT/485 dated 31.3.2004 Validity: One time consent required at the time of addition in the plant.	Addl. Excise Commissioner, Rajasthan Excise, Udaypur (Rajasthan)
25.	Consent for addition/modification of equipments/ building (For Behror Unit)	No. P-32(B)(138)AB/L/96- VI/455 dated 6.4.2005 Validity: One time consent required at the time of addition in the plant.	Addl. Excise Commissioner, Rajasthan Excise, Udaypur (Rajasthan)
26.	Consent for addition/modification of equipments/ buildings/ Plant (For Behror Unit)	No. P-32(B)(138)AB/L/96- IV/5826 dated 23.11.2006 Validity: One time consent required at the time of addition in the plant.	Addl. Excise Commissioner, Rajasthan Excise, Udaypur (Rajasthan)
27.	Registration of IMFL brands viz., Officer's Choice Classic Whisky (Franchise Brand), Officer's Choice Deluxe Whisky (Franchise Brand), Class Grain Vodka (Franchise Brand), Hannibal Legendary Rum (Own Brand), Samurai Gold Extra Rich Blend Whisky (Own Brand), White Lace Gin (Own Brand), 20-20 Premium	No. P.32(B)(138)AB/L/96- V/2969 dated 19.03.2009 validity upto 31.03.2010	Addl. Excise Commissioner, Rajasthan Excise, Udaipur (Rajasthan)

	Whisky (Own Brand) and Country Liquor Brands, i.e. Rana, Rajasthan No. 1, Ghoomer, Heer Ranjha with the label stating "Only for sale in Rajasthan". (For Behror Unit)		
28.	Licence for operation of Laboratory. (For Behror unit)	1/98-99 dated March, 1999 Valid upto: 31.3.2010	District Excise Officer, Dist: Alwar, (Rajasthan)
29	Registration under Contract Labour (Regulation & Abolition) Act, 1970	ALW/15/2007 dated 08.06.2007 Valid upto 31.12.2009	Office of Registrar under Contract Labour Act, Alwar Rajasthan

II. SAMALKHA UNIT, HARYANA

Sl. No.	Name of Registration	Licence/Registration No. & Date	Name of Issuing Authority/Department
1.	Central Sales Tax Registration (For Samalkha Unit)	No. PNP/6958 dated 7.4.1993 Valid from 27.1.1993 until cancelled.	Assessing Authority Distt. Panipat.
2.	Haryana Sales Tax Registration (For Samalkha unit) / VAT	06122606958 dated 17.2.2003 Valid until cancelled.	Assessing Authority, Panipat.
3.	D-2 Distillery License to manufacture Rectified Spirit and Denatured Spirit (For Samalkha Unit)	License dated 26.3.1994 Renewed upto 31.3. 2010	Collector cum Addl. Excise and Taxation Commissioner (H.Q) Chandigarh Haryana
4.	Permission u/s 25 & 26 of Water (Pollution Prevention and Control) Act, 1974 and Consent under section 21 of Air (Pollution Prevention and Control) Act, 1981. (For Samalkha unit)	No. WPCB/91/NOC/93/57 dated 2.7.1993 Company has applied for renewal of permission wide letter dated 12.01.2009. Company has not recd the permission till date	The Member Secretary, Haryana State Pollution Control Board Chandigarh Haryana
5.	Factory Licence (For Samalkha unit) <i>Registration Licence to work a Factory</i>	Licence Registration No. PPT/H-86/6414 Licence Serial No. 1292 Validity: Upto 31.12.2012	Chief Inspector of Factories Chandigarh Haryana
6.	Service Tax Registration (For Samalkha Unit)	AAACG2634BST001 Valid until cancelled.	Superintendent (S.Tax) Office of Asst. Commissioner, Central Excise Panipat Haryana
7.	Certificate for use of Boiler (For Samalkha Unit) Boiler Registry No.: MP-2512	No. PNP/CIB/28/5 dated 27.01.09 Validity: 21.01.2009 – 20.01.2010	Chief Inspector of Boilers Haryana Boiler Inspection Department
8.	Employee Provident Fund (For Samalkha Unit)	No. EB/HR-KL/15075/5557 dated 3.9.1997 Valid until cancelled.	Office of the Regional Provident Fund Commissioner Karnal Haryana
9.	Industrial Approval for manufacture of Undenatured Ethyl	SIA No. 311/SIA/IMO/95 dated 17.1.1995	Ministry of Industry Secretarial for Industrial

	Alcohol, Rectified Spirit, Extra Natural Alcohol from Molasses and Grain Capacity: 5 Crore BL per annum (For Samalkha Unit)	Validity: One time licence required at the time of installation of plant.	Approvals Entrepreneurial Assistance Unit Government of India
10.	Industrial Approval for manufacture of Acetic Acid, Acetic Anhydride, Ethyl Acetate, Undenatured Ethyl Alcohol etc. (For Samalkha Unit)	NO. 85/SIA/IMO/93 dated 12-01-1993 Validity: One time licence required at the time of installation of plant.	Ministry of Industry Secretarial for Industrial Approvals Entrepreneurial Assistance Unit Government of India
11.	Licence for manufacturing and bottling of Country Liquor and IMFL (For Samalkha Unit)	Memo No. 2225-ET-3-99/297(9) dated 7.5.1999 Validity: One time licence required at the time of commencement of business activity.	Commissioner & Secretary to Govt. of Haryana Excise & Tax Department Chandigarh
12.	Consent for Extension of Bottling Shed of Country Liquor (For Samalkha Unit)	Memo No. 2658/X.II dated 9.3.2007. Site plan approved vide Memo No. 215 dated 16.3.2007 by the Dy. Excise & Taxation Commissioner, Panipat. Validity: One time consent required at the time of addition in the plant.	Addl. Excise and Taxation Commissioner Haryana
13.	Registration of Country Liquor Brands, i.e., Samalkha Ka Tohfa (Quart, Pint & Nip), Samalkha No. 1(Quart, Pint & Nip), Samalkha Ki Saunfi (Quart, Pint & Nip) and Kinnu) All Spice Country Spirit (Grain Based) (For Samalkha Unit)	License issued under Form L-1C for the year 2009-10 to sell Country Liquor of the said brands to L-13 Licensees. Valid upto 31.3.2010	Addl. Excise & Taxation Commissioner (HQ), Haryana, Chandigarh
15	Registration of IMFs Brands, viz, Gr 8 Times Whisky (in quart, pint & nip size), Gr8 times XXX Rum (in quart, pint & nip size), Gr 8 times Dry Gin (in quart, pint & nip size), 20-20 Premium Whisky (in quart, pint & nip size) and White Lace Duet Gin (in quart, pint & nip size) (For Samalkha Unit)	License issued under Form L-1C for the year 2009-2010 to sell IMFs of the said brands to L-1 Licensees. Valid upto 31.03.2010	Addl. Excise & Taxation Commissioner (HQ), Haryana, Chandigarh
	Registration of IMFs Brands, viz, Hannibal Legendary Rum (1000 ml, 750 ml, 375 ml & 180 ml) (For Samalkha Unit)	License issued under Form L-1C for the year 2009-2010 to sell one brand of IMFs to L-1 Licensees. Valid upto 31.03.2010	Addl. Excise & Taxation Commissioner (HQ), Haryana, Chandigarh
16.	License for Whole Sale Vend of Indian Made Foreign Liquor for sale to L-1 Licensee in the State (For Samalkha Unit)	License issued under Form L-1B authorizing wholesale vend of Indian Made Foreign Liquor for sale to L-1 licensee only in the premises specified for the year 2009-10 (For Samalkha Unit) Validity for year 2009-2010	Collector cum Addl. Excise & Taxation Commissioner, Haryana, Chandigarh
17.	TAN Number (Samalkha Unit)	DELG06683F Valid until cancelled.	Income Tax Department
18.	Inspection of 1 No. 630 KVA	Memo No. Spl. I (Samalkha)	Chief Electrical Inspector

	Transformer and 11 KV Line	Validity: One time report granted during inspection.	Government of India Chandigarh
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III. DELHI

Sl. No.	Name of Registration	Licence/Registration No. & Date	Name of Issuing Authority/Department
1.	Tax Identification Number (TIN)	LC/091/07570268509/1003 Valid until cancelled.	Assessing Authority Under the Delhi Sales Tax Act, 1975.
2.	Bonded Warehouse Licence – for storage of Country Liquor- Delhi Unit	CLW-1 Registration No.: F 1(199)/CL/Ex/09-10 dated 30.03.2009 for brand kinnu Validity: 1.4.2009 to 31.3.2010	Commissioner of Excise Entertainment & Luxury Tax Government of Delhi Vikas Bhawan Delhi
3.	Licence for supply of Country Liquor – Delhi Unit – during the year 2009-2010	L-9 Registration No.: F 1(199)/CL/Ex 09-10 dated 30.03.2009 for brand Kinnu Validity: 1.4.2009 to 31.3.2010	Collector of Excise Delhi
4.	NOC & Credibility Certificate for supply of Country Liquor to National Capital Territory of Delhi for the year 2009 - 2010 The Unit shall make supply of Country Liquor from their own free sale molasses.	Memo No. 753/X.II dated 19.01.2009 Validity for year 2009-2010	Excise & Taxation Commissioner Haryana

IV UNION TERRITORY OF CHANDIGARH

Sl. No.	Name of Registration	Licence/Registration No. & Date	Name of Issuing Authority/Department
1	Tax Identification Number (TIN)	04400034203 dated 15.06.2009 Valid until cancelled.	Assistant Excise and Taxation Commissioner, Designated Officer, Ward 7, U.T., Chandigarh
2	Approvals of labels of brands viz. Kinnu, Saunfi, Commander with the label stating "For Sale in U.T Chandigarh only". (For Samalkha Unit)	Memo No. 4845 dated 22.04.09 validity : For the financial year 2009 – 2010	Addl. Excise & Taxation Commissioner (X), Union Territory, Chandigarh
3	Approvals of labels of brands viz. 20-20 Premium Whisky, White Lace Duet Gin, Hannibal Legendary Rum with the label stating "For Sale in U.T Chandigarh only". (For Samalkha Unit)	Memo No. 5187 dated 19.05.09 validity : For the financial year 2009 – 2010	Excise & Taxation Officer (X), Union Territory, Chandigarh

V. ANDHRA PRADESH

Sl. No.	Name of Registration	Licence/Registration No. & Date	Name of Issuing Authority/Department
1	Tax Identification Number (TIN)	28855782239 dated 15.04.2008 Valid until cancelled.	Assistant Commissioner (C.T), Central Registration Unit, Hyderabad
2	Approval of IMFL labels under Rule 16 of AP Distillery	B2/986/2008/DDB/EX dated 09.05.2008 and 18.08.2008	Commissioner of Prohibition & Excise, Andhra Pradesh,

	(Manufacture of IMFL other Beer and Wine) Rules 2006 for the year 2008-09 for supply to APBCL only for 20-20 Premium Whisky, Samurai Premium Whisky and White Lace Dry Gin	APBCL has vide letter No. APBCL/I/2009-10 dated 24.03.2009 extended the rate contract agreements of 2008 - 09 upto 30.09.2009 Valid upto 30.09.2009 or till the necessity ceases whichever is earlier	Hyderabd
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VI. KARNATAKA

Sl. No.	Name of Registration	Licence/Registration No. & Date	Name of Issuing Authority/Department
1	Tax Identification Number (TIN)	29950798430 dated 05.05.2008 Valid until cancelled.	Assistant Commissioner of Commercial Taxes, Bangalore

VII. KERALA

Sl. No.	Name of Registration	Licence/Registration No. & Date	Name of Issuing Authority/Department
1	Tax Identification Number (TIN)	32071354806C dated 27.03.2008 Valid until cancelled.	Commercial Tax Officer, KVAT Circle- II, Kalamasser
2	Approval of IMFL brands under Rule 3 (6) of Foreign liquor (Registration of Brand) Rules, 1995 for the year 2009-10 for Samurai Grape Brandy, Samurai XXX Rum, Academy Deluxe XXX Rum, Hannibal Legendary XXX Rum and Academy Deluxe Brandy	XC3-8439/09 dated 08-04-2009, XC3-8953 / 09/K.Dis dated 20.04.2009 and XC3 - 16618/09/K.Dis dated 24.07.2009 Valid upto 31.03.2010	Commissionerate of Excise Thiruvananthapuram, Kerala.

VIII. UTTAR PRADESH

Sl. No.	Name of Registration	Licence/Registration No. & Date	Name of Issuing Authority/Department
1	Tax Identification Number (TIN)	09273402498 dated 13.08.2007 Valid until cancelled.	Office J.C (P) Trade Tax MZN
2	Registration of IMFL Brands for the year 2009-10 for 20-20 Premium Whisky and Hannibal Legendary Rum.	1489/10-license-43/2009-10 dated 14 April 2009. Validity for year 2009-2010	Asst Commissioner of Excise (Licensing), Uttar Pradesh, Allahabad

IX. COMPANY

Sl. No.	Name of Registration	Licence/Registration No. & Date	Name of Issuing Authority/Department
1.	Permanent Account Number	AAACG2634B Valid until cancelled.	Director of Income Tax (Systems) Government of India
2.	Certificate of Importer-Exporter Code (IEC)	IEC Code No. 0596001771 dated 10.4.1996	Jt. Director General of Foreign Trade Ministry of Commerce

		Valid until cancelled.	Government of India
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X. APPLIED FOR

- a. The Government of Punjab, Department of Excise & Taxation (Excise & Taxation-II Branch), Chandigarh has, in response to Company's letter dated 27.2.2006, conveyed its intention, vide its letter dated' 1/170/2005-ET.2(8)/1535 dated 10.3.2006, to grant Letter of Intent to set up an integrated Distillery-cum-Brewery Project in Form D-2 ad B-1 setting up Distillery/Brewery in the state of Punjab in the industrially backward border district of Ferozepur.

As per the letter, the permission is towards establishing a Grain/Molasses based Distillery with capacity of 100 KLPD of Extra-Neutral Alcohol and Brewery with capacity of 5 lakh Hecto-Litre annually, subject to the condition that both, the distillery and brewery, will be set up simultaneously.

Additionally, the permission is also subject to the condition that the Company will comply with the following conditions within a period of one year from the date of the letter:

- a. Purchase of Land.
- b. Place firm orders for machinery/equipments.
- c. Submit application for release of power connection.
- d. Obtain/NOC from the Punjab Pollution Control Board.
- e. In the event any loan is raised for financing the project, the project will have to be appraised by a Bank/Financial Institution and at least 50% of the loan is indicated in the project report will have to be availed.

The Company has vide, its letter dated 27.2.2006, conveyed its consent for issue of Letter of Consent for setting up the Distillery & Brewery, and in this regard has deposited a sum of Rs. 10 lakhs on 27.2.2006 with the Punjab Government Treasury under the head "0039-State Excise Duties" comprising Rs. 5 lakhs towards Distillery and Rs. 5 lakhs towards Brewery.

The Company has further vide, its letter dated 26.03.2008 deposited a sum of Rs. 4 lakhs with the Punjab Government Treasury under the head "0039-State Excise Duties" comprising Rs. 2 lakhs towards Distillery and Rs. 2 lakhs towards Brewery.

SECTION VII

OTHER REGULATORY AND STATUTORY DISCLOSURES

1. Authority for the Issue

The issue of Equity Shares by the Company has been authorised by the resolution of the Board of Directors passed at their meeting held on April 2, 2009, which was subject to the approval of shareholders through a special resolution to be passed pursuant to Section 81(1A) of the Companies Act. Subsequently, on May 29, 2009, the shareholders approved the Issue at the Extra-Ordinary General Meeting of the Company held at New Delhi.

2. Prohibition by SEBI/RBI/Any other Authority

The Company, its directors, its promoters, Promoter Group, the Group Companies, persons in control of the promoter companies, other companies with which the promoters/directors are associated as directors or as promoters are not prohibited from accessing/operating the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority.

Neither the Company nor its directors, associates, promoters, promoters Group companies or relatives of the Promoters have been detained as wilful defaulter by the RBI or government authorities. There are no violations of securities laws committed by any of them in the past or pending against them.

3. Eligibility of the Company to enter the capital market

The Company is eligible for the Issue as per Clause 2.2.1 of the SEBI (DIP) Guidelines as confirmed by the Auditors of The Company, M/s B.M. Chatrath & Co., Chartered Accountants, dated August 1, 2009

1. The Company has net tangible assets of at least Rs. 3 crores in each of the preceding three full years of which not more than 50% is held in monetary assets;
2. The Company has had a pre-Issue net worth of not less than Rs. 1 crore in each of the three preceding full years;
3. The Company has had a track record of distributable profits as per Section 205 of Companies Act, 1956 for at least three out of the immediately preceding five years;
4. The proposed Issue size would not exceed five times the pre-Issue net worth as per the audited accounts for the year ended March 31, 2009;
5. The name of the Company was changed to Globus Spirits Ltd on January 23, 2007. It does not represent any change in the business line or activity.

The distributable profits as per Section 205 of the Companies Act, net worth and net tangible assets for the last five years are as under:

(Rs. in lakhs except % age of monetary assets)						
For the year ended March 31						
Particular		2005	2006	2007	2008	2009
Net Tangible Assets ¹		1380.66	1930.07	3240.38	5469.64	6963.35
Monetary Assets ²		31.85	58.26	175.01	168.16	238.90
Monetary Assets as a % of Net Tangible Assets		2.31	3.02	5.40	3.07	3.43
Net Worth ³		1159.43	1683.53	2549.26	4683.62	5976.98
Distributable Profits ⁴		23.94	523.88	865.52	1264.16	1293.15

Notes:

- 1 - Net Tangible Assets is defined as the sum of fixed assets (including capital work in progress and excluding revaluation reserves), trade investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities and long term liabilities).
- 2 - Monetary assets comprise of cash and bank balances, public deposit account with the Government.
- 3- Net worth has been defined as the aggregate of equity share capital and reserves, excluding miscellaneous expenditures, if any.

4 - *Distributable profits have been defined in terms of section 205 of the Companies Act.*

The Company undertakes that the number of allottees (i.e., Persons receiving Allotment in the Issue) shall be at least 1000; otherwise, the entire application money will be refunded forthwith. In case of delay, if any, in refund, the Company shall pay interest on the application money at the rate of 15% per annum for the period of delay, subject to and in accordance with applicable law.

4. Disclaimers

SEBI DISCLAIMER CLAUSE:

AS REQUIRED, A COPY OF THE RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE RED HERRING PROSPECTUS. THE BRLMs, SREI CAPITAL MARKETS LIMITED AND KEYNOTE CORPORATE SERVICES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURES AND INVESTOR PROTECTION) GUIDELINES 2000, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE RED HERRING PROSPECTUS, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs, SREI CAPITAL MARKETS LIMITED AND KEYNOTE CORPORATE SERVICES LIMITED HAVE FURNISHED TO SEBI DUE DILIGENCE CERTIFICATE(S) DATED AUGUST 14, 2009 IN ACCORDANCE WITH SEBI (MERCHANT BANKERS) REGULATIONS 1992 WHICH READS AS FOLLOWS:

- I. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS MORE PARTICULARLY IN CONNECTION WITH THE FINALISATION OF THE RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- II. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY.**

WE CONFIRM THAT:

- a. THE RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPER RELEVANT TO THE ISSUE;**
- b. ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE, AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT OF INDIA AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
- c. THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS**

TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SEBI (DIP) GUIDELINES, 2000 AND OTHER APPLICABLE LEGAL REQUIREMENTS;

- III. WE CONFIRM THAT, BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND TILL DATE SUCH REGISTRATION IS VALID;
- IV. WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE NET WORTH OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS; AND
- V. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE RED HERRING PROSPECTUS.
- VI. WE CERTIFY THAT CLAUSE 4.6 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE RED HERRING PROSPECTUS.
- VII. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
- VIII. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE RED HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.
- IX. WE CERTIFY THAT NO PAYMENT IN THE NATURE OF DISCOUNT, COMMISSION, ALLOWANCE OR OTHERWISE SHALL BE MADE BY THE ISSUER OR THE PROMOTERS, DIRECTLY OR INDIRECTLY, TO ANY PERSON WHO RECEIVES SECURITIES BY WAY OF FIRM ALLOTMENT IN THE ISSUE.
- X. WE CERTIFY THAT AS THE ISSUE SIZE IS MORE THAN 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMATERIALIZED FORM ONLY AND A DISCLOSURE TO THIS EFFECT HAS BEEN GIVEN IN THE RED HERRING PROSPECTUS .
- XII. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE RED HERRING PROSPECTUS:
- (a) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY AND
- (b) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME."

The filing of the Red Herring Prospectus does not, however, absolve the Company from any liabilities under Section 63 or Section 68 of the Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in the Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies, Delhi in terms of 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Delhi in terms of Section 56, Section 60 and Section 60B of the Companies Act.

5. CAUTION STATEMENT /DISCLAIMER STATEMENT FROM THE ISSUER AND BOOK RUNNING LEAD MANAGER:

The Company, its Directors, BRLMs accept no responsibility for statements made otherwise than in the Red Herring Prospectus or the advertisements or any other material issued by or at the instance of the above mentioned entities and any one placing reliance on any other source of information including the Company's website www.globusspirits.com, would be doing so at his or her own risk.

The BRLMs does not accept any responsibility, save to the limited extent as provided in terms of the Memorandum of Understanding entered into between the Company and the BRLMs and the Underwriting Agreement to be entered into amongst the Underwriters and the Company.

All information shall be made available by the BRLMs and the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at the bidding centres or elsewhere.

The Company and the BRLMs are obliged to update the Red Herring Prospectus and keep the public informed of any material changes till the listing and trading commencement.

Neither the company, the BRLMs nor the Syndicate is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

6. Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India), who are majors, HUF, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts under the applicable Trust Law and who are authorised under their constitution to hold and invest in shares, permitted Insurance Companies and Pension Funds and to permitted non residents including FIIs, NRIs and other eligible Foreign investors. This Red Herring Prospectus does not, however, constitute an offer to sell or, an invitation to subscribe to or purchase Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about it, and to observe, any such restrictions. Any dispute arising out of this Issue shall be subject to the exclusive jurisdiction of appropriate court(s) in, Delhi, India only.

No action has been or will be taken to permit a public Issue in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with SEBI for observations and SEBI has given its observations Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

7. Disclaimer Clause of CARE

CARE's IPO grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer; also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.

8. Disclaimer Clause of the Stock Exchanges

Disclaimer Clause of the Bombay Stock Exchange Limited (BSE) – The Designated Stock Exchange

Bombay Stock Exchange Limited ("the Exchange") has given vide its letter dated January 13, 2009, permission to the Company to use the Exchange's name in the Offer Document as one of the stock exchanges on which the Company's securities are proposed to be listed. The Exchange has scrutinised the Offer Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. The Exchange does not in any manner:

- I. warrant, certify or endorse the correctness or completeness of any of the contents of the Offer Document; or
- II. warrant that the Company's securities will be listed or will continue to be listed on the Exchange ; or
- III. take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of the Company;

and it should not for any reason be deemed or construed that the Offer Document has been cleared or approved by the Exchange. Every Person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the National Stock Exchange of India Limited (NSE)

As required, a copy of the Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter ref. NSE/LIST/98094-W dated January 28, 2009, permission to the Issuer to use Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinised the Draft Offer Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Offer Document; nor does it warrant that the issuer's securities will be listed or will continue to be listed on the Exchange ; nor does it take any responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of the Issuer.

Every Person who desires to apply for or otherwise acquires any securities of the Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such

person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

9. Filing of Draft Red Herring Prospectus with the Board and the Registrar of Companies

A copy of the Draft Red Herring Prospectus, along with the documents required to be filed has been filed with Securities and Exchange Board of India (Head Office), Corporation Finance Department, SEBI Bhavan, Plot No. C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration with the RoC, and a copy of the Prospectus, along with the documents required to be filed under Section 60 of the Companies Act, would be delivered for registration to the Registrar of the Companies, NCT of Delhi & Haryana, Delhi located at Office of the Registrar of Companies, NCT of Delhi & Haryana, IFCI Tower, 4th Floor, Nehru Place, New Delhi – 110 017.

10. Listing

Initial listing applications have been made by the Company to the Bombay Stock Exchange Limited (BSE) (Designated Stock Exchange) and the National Stock Exchange of India Limited (NSE) for permission to list the equity shares and for an official quotation of the Equity Shares of the Company.

In case the permission to deal in and for official quotation of the Equity Shares are not granted by the above mentioned Stock Exchanges, the Company shall forthwith repay, without interest, all monies received from applicants in pursuance of the Red Herring Prospectus. If such money is not paid within eight days after the Company becomes liable to repay it (i.e., from the date of refusal or within 70 days from the Bid/Issue Closing Date, whichever is earlier), then the Company and every Director of the Company who is an officer in default shall, on and from the date the expiry of 8 days, will be jointly and severally liable to repay the money with interest as prescribed under section 73 of the Companies Act, 1956.

The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within seven working days of finalisation of the basis of allotment for the Issue.

11. Impersonation

Attention of applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"Any person who

- a) makes in a fictitious name an application to a company for acquiring, or subscribing of any Shares therein, or**
- b) otherwise induces a company to allot, or register any transfer of Shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years."**

12. Consents

Consents, in writing, of the Directors, Company Secretary & Compliance Officer, Statutory Auditors, Bankers to the Company, Bankers to the Issue, Book Running Lead Manager to the Issue, Legal Advisor to the Issue, and Registrar to the Issue, Syndicate Members, Escrow Collection Bankers and Underwriters to act in their respective capacities, have been obtained and shall be filed along with a copy of the Red Herring Prospectus with the Registrar of Companies, Delhi & Haryana, Delhi as required under Section 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

M/s B.M. Chatrath & Co., Chartered Accountants, the Company's statutory auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

M/s B.M. Chatrath & Co., Chartered Accountants, the Company's statutory auditors have given their written consent to the inclusion of their report on the tax benefits accruing to the Company and its members in the form and context in which it appears in this Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

13. Expert Opinion

Except as stated elsewhere in this Red Herring Prospectus, we have not obtained any expert opinions.

14. Expenses of the Issue

The expenses of this Issue include, among others, underwriting and management fees, IPO grading expenses, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated Issue expenses are as follows:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the ROC)

Sl. No.	Activity	Estimated Amount (Rs. in lakhs)	% of Total Expenses	% of Total Issue size *
1.	Fees of BRLMs	[•]	[•]	[•]
2.	IPO Grading Expense	[•]	[•]	[•]
3.	Underwriting commission	[•]	[•]	[•]
4.	Brokerage & Selling commission	[•]	[•]	[•]
5.	Advertisement & Marketing expenses	[•]	[•]	[•]
6.	Printing and Stationery, Distribution, postage etc	[•]	[•]	[•]
7.	Other Expenses (including Registrar fees, legal fees, filing fees, listing fees, depository charges etc)	[•]	[•]	[•]
	Total	[•]	[•]	[•]

* - Will be incorporated after finalization of Issue price

Fees Payable to The BRLMs

The total fees payable to the Book Running Lead Manager (including underwriting commission if any, and brokerage and selling commission) for the issue will be as per the Memorandum of Understanding entered into respectively with Srei Capital Markets Ltd, and Keynote Corporate Services Limited, copies of which are available for inspection at the Registered Office of the Company.

Fees Payable to the Registrar to the Issue

The total fees payable to the Registrar to the Issue will be as per the Memorandum of Understanding dated September 11, 2008 between the Company and the Registrar, a copy of which is available for inspection at the Company's Registered Office. The Registrar will also be reimbursed with all relevant out-of-pocket expenses such as cost of stationery, postage, stamp duty, communication expenses, etc.

Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post or speed post or under certificate of posting

Others

The total fees payable to the Legal Advisor, Auditors and Tax Auditors will be as per the terms of their respective engagement letters.

15. Underwriting Commission, Brokerage and Selling Commission

The Underwriting commission for the Issue would be set out in the Underwriting Agreement, copy of which would be available for inspection at the Registered Office of the Company. Brokerage will be paid on the basis of allotment made against application bearing the stamp of a member of any recognized exchange in India in the broker columns. Brokerage at the same rate shall also be payable to the bankers to the issue in respect of allotment made against applications bearing their respective stamps in the brokers columns.

In case of tampering or over stamping of broker/agents codes on the application form, Issuers decision to pay brokerage in respect will be final and no further correspondence will be entertained in the matter.

16. Previous Rights and Public Issues, if any

The Company has not made any previous rights and public issues since inception.

17. Previous issues of shares otherwise than for cash

The Company has not made any previous issues of shares for consideration otherwise than for cash.

18. Commission and Brokerage on Previous Issues

The Company has not made any previous public or right issue since inception and as such no amount has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription of the equity shares

19. PARTICULARS IN REGARD TO GLOBUS SPIRITS LIMITED AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370 (1B) OF THE COMPANIES ACT, 1956 THAT MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS

There have been no capital issues during last three years either by the Company or any other company under the same management within the meaning of Sec. 370 (1)(B) of the Act.

For more details, please refer to the section titled "Financial and Other Information of Companies, Firms, Trusts promoted/controlled by the Promoters" beginning at page no. 174 of this Red Herring Prospectus.

20. Promise Vis-À-Vis Performance – The Company

This is the first public issue of the Company. Hence Promise vis-à-vis performance is not applicable to the Company.

Listed Ventures of Promoters

The promoters do not have any listed venture and hence not applicable.

21. Outstanding Debentures or Bond Issues

The Company does not have any outstanding debentures or bonds.

22. Outstanding Preference Shares

The Company does not have any outstanding preference shares.

23. Stock Market Data

This being the first public issue of the Company the Equity Shares of the company are not listed on any stock exchange hence no stock market data is available.

24. Mechanism for Redressal of Investor Grievance

The Memorandum of Understanding between the Company and the Registrar to the Issue will provide for retention of records with the Registrar to the Issue, Link Intime India Private Limited Limited, for a period of at least one year from the last date of dispatch of letters of allotment, demat credit, and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to Company and the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository participant and the respective Syndicate member or collection centre where the application was submitted.

The company has constituted a Share Transfer Committee on March 15, 2007 comprising of Mr. Santosh Kumar Bishwal (Independent Director) as Chairman, Mr. Joginder Singh Dhamija (Independent Director), Mr. Rameshwar Dayal Aggarwal (Whole Time Director) and Mr. Rajesh Kumar Malik (Whole Time Director) as members.

The company has also constituted a Investor Grievance Redressal Committee on March 15, 2007 comprising of Mr. Santosh Kumar Bishwal (Independent Director) as Chairman, Mr. Joginder Singh Dhamija (Independent Director), Mr. Rameshwar Dayal Aggarwal (Whole Time Director) and Mr. Rajesh Kumar Malik (Whole Time Director) as members.

The Company has also appointed Mr. Santosh Kumar Pattanayak, Company Secretary as Compliance Officer of the Company.

All investor complaints that cannot be resolved by the Company Secretary or the Compliance Officer would be placed before the Investors Grievance Committee for resolution. The Company will settle investor grievances expeditiously and satisfactorily.

Disposal of Investor Grievances by the Company

The Company estimates that the average time required by the Company or the Registrar to the Issue for the redressal of routine investor grievances shall be seven working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, the Company will seek to redress these complaints as expeditiously as possible.

The Company has appointed, Mr. Santosh Kumar Pattanayak, Company Secretary, as the Compliance Officer and he may be contacted in case of any pre-issue or post-issue related problems such as non-receipt of allotment advice, refund orders and demat credit, etc. He can be contacted at:

Mr. Santosh Kumar Pattanayak
Company Secretary & Compliance Officer
C-631 New Friends Colony,
New Delhi – 110 065
India
Pin: 110065
Tel.: + 91 11 26928130
Fax: +91 11 26822805
E-mail: ipo@globusgroup.in
Website: www.globusspirits.com

25. Changes in Auditors during last 3 years and, reasons thereof

The auditors of the Company are appointed (and reappointed) in accordance with provisions of the Companies Act and their remuneration, rights and duties are regulated by section 224 to 233 of the Companies Act.

There have been no changes of statutory auditors in the last three years. M/s B.M. Chatrath & Co., Chartered Accountants were re-appointed as Statutory Auditors of the Company at the AGM held on September 30, 2008.

26. Capitalisation of Reserves Or Profits

The Company has till date not capitalized the reserves or profits, except for the Bonus Issue on 2.11.1995 by offering 12 equity shares for every 10 equity shares held by the then existing shareholders; and later on 8.6.2007 by another Bonus Issue by offering 1 Equity Share for every 2 Equity Shares held.

27. Revaluation of assets, if any

The Company has not revalued its Fixed Assets since incorporation.

SECTION VIII

ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, the Memorandum and Articles of the Company, the terms of the Red Herring Prospectus, Bid cum Application Form, the Revision Form, the Confirmation of Allocation Note (CAN) and other terms and conditions as may be incorporated in the allotment advice and other documents / certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications, and regulations relating to the Issue of capital, listing and trading of securities issued from time to time by SEBI / Government of India / Stock Exchanges / RBI / ROC and / or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The issue of Equity Shares by the Company was authorised by the resolution of the Board of Directors passed at their meeting held on April 2, 2009, which was subject to the approval of shareholders through a special resolution to be passed pursuant to Section 81 (1A) of the Companies Act. Subsequently, on May 29, 2009, the shareholders approved the Issue at the Extra-Ordinary General Meeting of the Company held at New Delhi.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act, Memorandum and Articles of the Company and shall rank *pari passu* in all respects with the other existing Equity Shares of the Company including rights in respect of dividend. The allottees will be entitled to dividends and other corporate benefits, if any, declared by the company after the date of allotment. For a description of the Company's Articles of Association, please refer to "Main Provisions of the Articles of Association of the Company" on page no. 277 of this Red Herring Prospectus.

Mode of payment of dividend

The declaration and payment of dividends will be recommended by the Company's Board of Directors and its shareholders, at their discretion, and will depend on a number of factors, including but not limited to the Company's earnings, capital requirements and overall financial condition.

Face Value and Issue Price

The Equity Shares with a face value of Rs.10 each are being offered in terms of this Red Herring Prospectus at an Issue price of Rs. [●], which is [●], times the face value. At any given point of time, there shall be only one denomination for the Equity Shares of the Company subject to applicable laws. Dividend shall be paid to the shareholders as per provisions of the Companies Act

Compliance with SEBI DIP Guidelines

The Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time. In this regard the Company has appointed Mr. Santosh Kumar Pattanayak, Company Secretary as the Compliance Officer of the Company.

Rights of the Equity Shareholder

Subject to applicable laws, regulations, rules and guidelines and the Memorandum and Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared
- Right to receive notice, annual reports, attend general meetings and exercise voting powers, unless prohibited by law
- Right to vote on a poll either in person or by proxy
- Right to receive offers for rights shares and be allotted bonus shares, if announced.

- Right to receive surplus on liquidation.
- Right of free transferability and
- Such other rights, as may be available to a shareholder of a listed public Company under the Companies Act and the Memorandum and Articles of Association.

For a detailed description of the main provisions of the Company's Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation / splitting of Shares, refer to the section titled "Main Provisions of the The Articles Of Association of the Company" on page no. 277 of this Red Herring Prospectus.

Market Lot & Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. In terms existing SEBI Guidelines, the trading in the Equity Shares shall only be in dematerialized form for all investors. As trading in the Equity Shares is compulsorily in dematerialized form, the market lot is one equity share.

Allocation and Allotment of Equity shares through this Issue will be done in electronic form in multiples of one Equity Share, subject to a minimum allotment of 70 Equity Shares to the successful bidders.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with competent courts / authorities in New Delhi, India.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidder(s) may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, becoming entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his/her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the registered office of the Company and the Registrars and Transfer Agents of the Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either; -

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to elect / choose either to register himself or herself or to transfer the Equity Shares, and if the notice is not complied within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment / transfer of Equity Shares in the Issue will be made only in dematerialized mode, there is no need to make a separate nomination with the Company. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require to changing of the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

"If the company does not receive the minimum subscription of 90% of the Net Issue to public including devolvement of the Underwriters, if any, within 60 days from the date of closure of the issue, the company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the company becomes liable to pay the amount, the company shall pay interest as per Section 73 of the Companies Act, 1956."

Further, in accordance with clause 2.2.2 A of the SEBI Guidelines, the Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted will not be less than 1,000.

Arrangements for disposal of odd lots

The Company's shares will be traded in dematerialized form only and the marketable lot is one share. Therefore there is no possibility of odd lots.

Letters of Allotment or Refund Orders

The Company shall give credit to the beneficiary account with depository participants within 2 working days of the date of allotment of Equity Shares. In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, the Company further undertakes that:

- Allotment of Equity Shares will be made only in dematerialized form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refund orders will be done within 15 days from the Bid/Issue Closing Date;
- Refunds shall be made in the following manner:
 - ❑ In case of applicants residing in any of the centres specified by the SEBI – by crediting of refunds to the bank accounts of applicants through electronic transfer of funds by using ECS (Electronic Clearing Service), Direct Credit, RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer), as is for the time being permitted by the Reserve Bank of India;
 - ❑ In case of other applicants – by despatch of refund orders by registered post, where the value is Rs. 1500/- or more, or under certificate of posting in other cases, (subject however to postal rules); and
 - ❑ In case of any category of applicants specified by the SEBI – crediting of refunds to the applicants in any other electronic manner permissible under the banking laws for the time being in force which is permitted by the SEBI from time to time.
- The Company shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 day prescribed time period as mentioned above (or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner) within 15 days from the date of the closure of the issue.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Restrictions, if any, on Transfer and Transmission of Shares and on their Consolidation/Splitting

Nothing contained in the Articles of the Company shall prejudice any power of the Company to refuse to register the transfer of any share.

No fee shall be charged for sub-division and consolidation of share certificates (physical form), debenture certificates and detachable warrants and for sub-division of letters of allotment and split, consideration, renewal and pucca transfer receipts into denomination corresponding to the market units of trading.

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation/splitting, please refer sub-heading "Main Provisions of the Articles of Association of the Company" starting from page no. 277 of this Red Herring Prospectus.

Application by Eligible NRIs/FIIs registered with SEBI and FVCIs registered with SEBI

It is to be distinctly understood that there is no reservation for Eligible NRIs and FIIs registered with SEBI or FVCIs registered with SEBI. Such Eligible NRIs, FIIs registered with SEBI or FVCIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation. As per the policy of the RBI, OCBs cannot participate in this Issue.

ISSUE INFORMATION

ISSUE STRUCTURE

The Equity Shares being offered are subject to the provisions of the Companies Act, the Memorandum and Articles of Association of the Company, the terms of the Red Herring Prospectus, Bid-cum-Application form, the Revision form, the Confirmation of Allocation Note ("CAN") and other terms and conditions as may be incorporated in the Allotment Advice, and other documents/certificates that may be executed in respect of the Issue. The Equity shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Stock Exchanges, RBI, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Public Issue of 75,00,000 Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per Equity Share for cash aggregating Rs. [●] Lakhs, comprising of 50,000 Equity Shares of Rs. 10 each reserved for the Eligible Employees (the "Employee Reservation Portion") and a Net Issue of 74,50,000 Equity Shares of Rs.10/- each being made through a 100% book building process. The Issue will constitute 37.96% of the fully diluted post-Issue paid-up capital of the Company. The Net Issue would constitute 37.71% of the fully diluted post issue paid up capital of the company.

Details of the Issue structure are tabulated below:

Particulars	Employees Reservation Portion	QIBs	Non Institutional Bidders	Retail Bidders
Number of Equity Shares	Upto 50,000 equity shares	Up to 37,25,000 equity shares	Not less than 11,17,500 equity shares	Not less than 26,07,500 equity shares
Percentage of Issue size available for allocation	Upto 0.67% of the Issue size or the Issue less Net Issue	Up to 50% of the Net Issue shall be available for QIBs out of which 5% shall be available for Mutual Funds	Not less than 15% of the Net Issue	Not less than 35% of the Net Issue
Basis of Allocation or Allotment if Respective category is Oversubscribed (Subject to sectoral cap and specified investment limits)	Proportionate	Proportionate 5% to Mutual Funds on proportionate basis. Balance to QIBs including Mutual Funds	Proportionate	Proportionate
Minimum Bid	70 Equity Shares and thereafter in multiples of 70 Equity Shares	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 70 equity shares thereafter	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 70 equity shares thereafter	70 Equity Shares and thereafter in multiples of 70 Equity Shares thereafter
Maximum Bid	Such number of Equity shares so as to ensure that the bid size does not exceed 50,000 Equity Shares	Not exceeding the Net Issue subject to regulations as applicable to the Bidders	Not exceeding the Net Issue subject to regulations as applicable to the Bidders	Such number of Equity Shares so as to ensure that the Bid Amount does not exceed Rs.1,00,000
Mode of Allotment	Compulsory in Dematerialised form	Compulsory in Dematerialised form	Compulsory in Dematerialised form	Compulsory in Dematerialised form
Trading Lot/	One Equity Share	One Equity Share	One Equity Share	One Equity

Market Lot				Share
Who can apply **	<p>Eligible employees being permanent employee or the director(s) of the Company who is an Indian national based in India and is physically present in India on the date of submission of the Bid-cum-Application Form. Such person should be an employee or director(s) during the period commencing from the date of filing of the Red Herring Prospectus with RoC up to the Bid/Issue closing date.</p> <p>Individuals forming part of the Promoter /promoter group are not eligible to be treated as eligible employees</p>	<p>Public financial Institutions as specified in Section 4A of the Companies Act, Scheduled Commercial bank, Mutual Fund registered with SEBI, Foreign Institutional Investor and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, Multilateral and Bilateral Development Financial Institution, Venture Capital funds registered with SEBI, Foreign Venture Capital Investors registered with SEBI, State Industrial Development Corporations, Insurance Company registered with the Insurance Regulatory and Development Authority (IRDA), Provident Funds with minimum corpus of Rs. 2500 Lakhs and Pension Funds with minimum corpus of Rs. 2500 Lakhs in accordance with applicable law, National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India, FIIs registered with SEBI,</p>	<p>Resident Indian individuals, HUF (in the name of Karta) Companies, Corporate Bodies, Scientific Institutions, Societies and Trusts and NRIs (applying for an amount exceeding Rs.1, 00,000)</p>	<p>Resident Indian Individuals, HUF (in the name of the Karta) and eligible NRIs applying for an amount up to Rs.1, 00,000.</p>
Terms of Payment	<p>Margin Amount applicable to Eligible Employees at the time of submission of Bid-cum-Application Form to the Member of the Syndicate</p>	<p>Margin amount applicable to QIB Bidders at the time of submission of Bid-cum-Application Form to the members of the Syndicate</p>	<p>Margin Amount applicable to Non Institutional Bidders at the time of submission of Bid-cum-Application Form to the members of the</p>	<p>Margin Amount applicable to Retail Individual Bidder at the time of submission of Bid-cum-Application</p>

			Syndicate	Form to the members of the Syndicate,
Margin Amount	Full Bid Amount on Bidding	10% of the Bid amount on Bidding	Full Bid Amount on Bidding	Full Bid Amount on Bidding

- * Subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in the QIBs, Non-Institutional and Retail categories would be allowed to be met with spill-over inter-se from any category or combination of categories at the discretion of the Company in consultation with the BRLMs. Under-subscription, if any, in the Reservation for Eligible Employees shall be added back to the Net issue.
- ** In case the Bid-cum-Application Form/ASBA Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form/ASBA Form.
- *** Resident Retail Individual Investor is also eligible to apply through ASBA process, for details please refer to Section "Issue Procedure for ASBA Bidders " on page 268 of Red Herring Prospectus.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares without assigning any reason.

ISSUE PROCEDURE

Principal Terms And Conditions Of The Issue

The Equity Shares being offered are subject to the provisions of the Companies Act, the Memorandum and Articles of the Company, the terms of the Red Herring Prospectus, Bid cum Application Form, the Revision Form, and other terms and conditions as may be incorporated in the CAN, Allotment Advice, and any other documents/certificates that may be executed in respect of the Issue. In addition the Equity Shares shall also be subject to laws as applicable, guidelines, notifications, rules and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Reserve Bank of India, Registrar of Companies, Stock Exchanges, and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Book Building Procedure

This Issue is being made through the 100% Book Building Process wherein upto 50% of the Net Issue shall be allotted to Qualified Institutional Buyers (QIBs) on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Net Issue would be allocated to Non-Institutional Bidders and not less than 35% of the Net Issue would be allocated to Retail Individual Bidders on a proportionate basis, subject to valid bids being received from them at or above the Issue Price.

Bidders are required to submit their Bids through the members of the Syndicate. ASBA investors intending to subscribe to the issue shall submit a complete ASBA form to the designated branch of the SCSB. QIB Bids can be submitted only through Syndicate members. In the case of QIB Bidders, the Company in consultation with the BRLMs may reject any Bid at the time of acceptance of the Bid cum Application Form, provided that the reasons for rejecting the same are provided to such Bidders in writing. In case of, Non-Institutional Bidders and Retail Individual Bidders, the Company would have a right to reject the Bids only on technical grounds.

Investors should note that Equity Shares would be allotted to all successful bidders, only in the dematerialised form. Bidders will not have the option of getting allotment of the security shares in physical form. The equity shares on allotment shall be traded only in dematerialised segment of the Stock Exchange.

Illustration of Book Building and Price Discovery Process

(Investors may note that this illustration is solely for the purpose of easy understanding and is not specific to the Issue)

Bidders can bid at any price within the price band. For instance, assume a price band of Rs.20 to 24 per share, issue size of 3000 equity shares and receipt of five bids from bidders out of which one bidder has bid for 500 shares at Rs. 24 per share while another has bid for 1,500 shares @ Rs. 22 per share. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book as shown below shows the demand for shares of the company at various prices and is collated from bids from various investors.

Number of Equity shares Bid For	Bid Price (Rs.)	Cumulative Equity Shares	Subscription Shares bid for
500	24	500	16.67%
1000	23	1500	50.00%
1500	22	3000	100.00%
2000	21	5000	166.67%
2500	20	7500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired quantum of shares is the price at which the book cuts off i.e. Rs. 22 per share in the above example. The issuer, in consultation with the BRLMs, will finalise the issue price at or below such cut-off price i.e. at or below Rs. 22 per share. All bids at or

above this Issue price and cut-off bids are valid bids and are considered for allocation in respective category.

Bidding/Issue Programme

BID/ISSUE OPENS ON	Monday, August 31, 2009
BID/ISSUE CLOSES ON	Wednesday, September 2, 2009

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form. On the Bid/Issue Closing Date, Bids (excluding the ASBA Bidders) shall be uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders, Non- Institutional Bidders and Eligible Employees bidding under the Employee Reservation Portion where the Bid Amount is in excess of Rs. 100,000 and (ii) until 5.00 p.m. or such extended time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion where the Bid Amount is up to Rs. 100,000. It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form submitted through the ASBA process, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing date, the bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than the times mentioned above on the Bid/Issue Closing Date. All times are Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLMs and Syndicate members will not be responsible. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holidays).

The Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI Guidelines provided that the Cap Price is less than or equal to 20% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least one day before the Bid /Issue Opening Date.

In case of revision of the Price Band, the Issue Period will be extended for three additional working days after revision of the Price Band subject to the total Bid /Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/Issue, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release and also by indicating the changes on the web sites of the BRLMs and at the terminals of the Syndicate.

Bid-cum-Application Form

Bidders other than ASBA investors shall only use the specified Bid- cum- Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. The Bidder other than ASBA investors shall have the option to make a maximum of three Bids in their Bid-cum-Application Form and such options shall not be considered as multiple bids. Upon the allocation of Equity Shares, despatch of the Confirmation of Allocation Note and filing of Prospectus with the RoC, the Bid-cum-Application Form shall be considered as the application form. Upon completing and submitting of the Bid-cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised the Company to make the necessary changes in the Red Herring Prospectus and Bid-cum-Application Form as would be required for filing the Prospectus with ROC and as would be required by the ROC after such filing, without prior or subsequent notice of such changes to the Bidder.

ASBA Bidders shall submit an ASBA Bid cum Application Form either in physical or electronic form to the SCSB authorising blocking funds that are available in the bank account specified in the ASBA Bid cum Application Form used by ASBA Bidders. The ASBA Bidders can only provide

one Bid in the ASBA Bid cum Application Form at Cut-off Price. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form for ASBA Bidders to the SCSB, the ASBA Bidder is deemed to have authorised the Company to make the necessary changes in the Red Herring Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder

The prescribed colour of the Bid-cum-Application Form for various categories is as follows:

CATEGORY	COLOUR OF BID-CUM-APPLICATION FORM
Indian public, (including resident QIBs, non institutional bidders, retail bidders and Eligible NRIs applying on a non-repatriation basis	White
Non Residents, Eligible NRIs or FIIs applying on a repatriation basis	Blue
Eligible Employee	Pink

Note:

There will be a separate ASBA Form for the Resident Retail Individual Investor applying through ASBA process. The physical ASBA Bid cum Application Form shall be white in colour. In accordance with the SEBI Guidelines, only Resident Retail Individual Investor can participate by way of ASBA process. For details, please refer section "Issue Procedure for ASBA Bidders " in Red Herring Process.

Who can Bid?

Person's eligible to invest under all applicable laws, rules, regulations and guidelines;

- i Indian nationals resident in India who are majors, or in the names of minor as natural/legal guardians in single or joint names (not more than three);
- ii Hindu Undivided Families or HUFs, in the individual name of Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid-cum-Application form as follows: "Name of sole or first Bidder: XYZ" Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;
- iii Companies, corporate bodies and societies registered under the applicable laws in India; and authorised to invest in the Equity Shares;
- iv Indian mutual funds registered with SEBI;
- v Indian financial institutions, schedule commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and SEBI guidelines, as applicable);
- vi Venture Capital Funds registered with SEBI;
- vii Foreign Venture Capital Investors registered with SEBI, subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue;
- viii State Industrial Development Corporations;
- ix Trust/society registered under the Societies Registration Act, 1860, as amended or under any other law relating to trusts/society and who are authorised under their constitution to hold and invest in Equity Shares;
- x Eligible NRIs on repatriation basis or a non-repatriation basis subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue;
- xi FIIs registered with SEBI on repatriation basis or on non repatriation basis subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue;
- xii Scientific and / or industrial research organizations authorised under their constitution to invest in Equity Shares;
- xiii Insurance companies registered with Insurance Regulatory and Development Authority.
- xiv Subject to applicable laws Provident funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in Equity Shares
- xv Pension funds with minimum corpus of Rs. 2500 Lakhs and who are authorized under their constitution to hold and invest in Equity Shares.
- xvi Multilateral and bilateral development financial institutions
- xvii Any other QIBs permitted to invest in the issue under applicable laws and regulations
- xviii Eligible Employees of the Company being permanent employee or the director(s) of the Company who is an Indian national based in India and is physically present in India on the

date of submission of the Bid-cum-Application Form. Such person should be an employee or director(s) during the period commencing from the date of filing of the Red Herring Prospectus with RoC up to the Bid/Issue closing date. Eligible employees belonging to the Promoter/promoter group are not eligible to participate in the Employee Reservation Portion

Pursuant to the existing regulations, OCBs are not eligible to participate in the Issue.

Note: The BRLMs and Syndicate Member shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs, and Syndicate Members may subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where allocation is on a proportionate basis.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law, rules, regulations, guidelines and approvals or statutory guidelines.

Bids by Mutual Funds

(As per the current regulations, the following restrictions are applicable for investments by mutual funds):

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than 1,86,250 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIB bidders, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments by index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights. These limits would have to be adhered to by the mutual funds for investment in the Equity Shares.

In terms of SEBI Guidelines, 5% of the QIB Portion (i.e. 1,86,250 Equity Shares) shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% share of the QIB Portion will also be eligible for allocation in the remaining QIB Portion.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Bids by FIIs

(As per the current regulations, the following restrictions are applicable for investments by FIIs):

The Issue of Equity Shares to a single FII should not exceed 10% of the post-Issue paid-up capital of the Company. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub account shall not exceed 10% of the total paid-up capital or 5% of the total paid up capital of the Company in case such sub-account is a foreign corporate or an individual. As of now, the aggregate FII holding in the Company cannot exceed 24% of its total paid up equity capital. However, this limit of 24% has been increased to 49% (applicable sectoral cap) by a resolution passed by the Board of Directors in their meeting held on July 11, 2007 subject to the approval of the shareholders.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A (1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended, an FII or its sub-account may issue, deal or hold, off-shore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock

exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Bids by NRIs or FIIs on Repatriation basis

Bids and revision to bids must be made:

On the bid cum application form or Revision Form, as applicable, (Blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

- In a single or joint names (not more than three).
- Bids by NRIs for a Bid amount of up to less than Rs 1,00,000 would be considered under the Retail Individual Bidders Portion for the purposes of allocation and Bids for a Bid amount of more than or equal to Rs. 1,00,000 would be considered under Non-Institutional Bidder Portion for the purposes of allocation; by FIIs or Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions for a minimum of such number of Equity shares and in multiples of 70 Equity Shares thereafter so that the Bid amount exceeds Rs. 1,00,000; for further details. Please refer to the sub-section titled "Maximum and Minimum Bid size" on page no. 236 of this Red Herring Prospectus.
- In the names of individuals or in the names of FIIs or in the names of Foreign Venture Capital Fund, Multilateral and Bilateral Financial Institutions but not in the names minors, firms or partnerships, foreign nationals or their nominees or OCBs.
- Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/ or commission, in case of Bidders who remit money payable upon submission of the Bid-cum-Application Form or Revision form through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by the space provided for this purpose in the Bid-cum-Application Form. The Company will not be responsible for loss, if any, incurred by the Bidder on account or conversion of foreign currency.

Bids by Eligible NRIs

Bid cum application forms have been made available for NRIs at the registered office of the Company, members of the Syndicate and the Registrar to the Issue.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians. All instruments accompanying bids shall be payable in New Delhi only.

In accordance with the SEBI Guidelines, Non-Residents cannot subscribe to this Issue under the ASBA process.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

(As per the current regulations, the following restrictions are applicable for investments by SEBI registered venture capital funds and foreign venture capital funds):

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI respectively. Accordingly, the holding by any individual venture capital fund or foreign venture capital investor registered with SEBI in one company should not exceed 25% of the corpus of the Venture Capital Fund, or a Foreign Venture Capital

Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

In terms of Clause 4.14.2 sub-clause (i) of the SEBI DIP Guidelines, the one year lock-in requirement of entire pre-issue share capital, other than that locked-in as minimum promoters contribution, shall not be applicable to the pre-issue shares held by a Venture Capital Fund or a Foreign Venture Capital Investor provided the shares have been held by the Venture Capital Fund or the Foreign Venture Capital Investor, as the case may be, for a period of at least one year as on the date of filing the Draft Red Herring Prospectus with SEBI.

Bids by ASBA Investor

For ASBA process, please refer section "Issue Procedure for ASBA Bidders " in the Red Herring Prospectus.

The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the limits under applicable laws or regulations.

Maximum and Minimum Bid size

1. For Retail Individual Bidders:

The Bid must be for a minimum of 70 Equity Shares and in multiples of 70 Equity Shares thereafter so as to ensure that the Bid Amount (including revision of Bids, if any) payable by the Bidder does not exceed Rs 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The option to bid at Cut-off price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

2. For Non-institutional Bidders and QIBs Bidders:

The Bid must be for a minimum of such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of 70 equity shares. A Bid cannot be submitted for more than the size of the Issue. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by applicable laws. Under the existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB Margin upon submission of Bid.

In case of revision in Bids, the Non-Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-institutional portion. In case the Bid Amount reduces to Rs. 100,000 or less due to revision in Bids or revision in the price band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation in the Retail Portion. Non- Institutional Bidders and QIB Bidders are not allowed the option of bidding at the Cut-off Price.

c) For Bidders in the Employee Reservation Portion

The Bid must be for a minimum of 70 Equity Shares and in multiples of 70 Equity Shares thereafter. Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at Cut-off Price. However, the maximum Bid in this portion cannot exceed 50,000 shares. The allotment in the Employees Reservation Portion will be on a proportionate basis.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Information for the Bidders

- a. The Company will file the Red Herring Prospectus with the ROC at least three days before the Bid/Issue Opening Date.
- b. The Syndicate Members will circulate copies of the Red Herring Prospectus along with the Bid-cum-Application Form to potential investors.
- c. Any investor (who is eligible to invest in the Equity Shares) desirous of obtaining the Red Herring Prospectus along with the Bid-cum-Application Form can obtain the same from the Registered office of the Company or from the BRLMs or from a Syndicate Member or from their websites.
- d. Investors who are interested in subscribing to the Company's Equity Shares should approach any of the BRLMs/ Syndicate Members or their authorized agent(s) to register their bid.
- e. The Bids should be compulsorily submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms should bear the stamp of the Syndicate Member. The Bid-cum-Application Forms, which do not bear the stamp of the Syndicate Member, will be rejected.
- f. The Members of the Syndicate shall accept Bids from the Bidder during the Issue Period in accordance with the terms of the Syndicate Agreement.
- g. The Bidding/Issue Period shall be for a minimum of three working days and not exceeding seven working days. In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional days after revision of the Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to BSE and NSE, by issuing a public notice in two widely circulated newspapers (one each in English and Hindi) and also by indicating the change on the websites of BRLMs and the terminal of the Syndicate Members
- h. The Price Band has been fixed at Rs. 90/- to Rs. 100/- per Equity Share of Rs. 10/- each, Rs. 90/- being the lower end of the Price Band and Rs.100/- being the higher end of the Price Band. The Bidders can bid at any price within the Price Band, in multiples of 70 Equity Shares.
- i. The Company, in consultation with the BRLMs reserves the right to revise the Price Band, during the Bidding/Issue Period, in accordance with SEBI Guidelines. The higher end of the Price Band should not be more than 20% of the lower end of the Price Band. Subject to compliance with the immediately preceding sentence, the lower end of the Price Band can move up or down to the extent to 20% of the lower end of the Price Band disclosed in the Red Herring Prospectus.
- j. The Company, in consultation with the BRLMs can finalise the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- k. For ASBA process, please refer section "Issue Procedure for ASBA Bidders " in the Red Herring Prospectus.

Method and Process of Bidding

1. The Company and the BRLMs shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with ROC and also publish the same in two widely circulated newspapers (one each in English and Hindi). This advertisement subject to the provisions of section 66 of the Companies Act shall be in the format and contain the disclosures specified in Part A of Schedule XX-A of the SEBI Guidelines as amended by SEBI Circular no SEBI/CFD/DIL/DIP/14/2005/25/1 dated January 25, 2005 further amended by SEBI Circular No. SEBI/CFD/DIL/DIP/17/2005/11/11 dated November 11,2005. The BRLMs and Members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.
2. The Bidding Period shall be open for at least 3 working days and not more than 7 working days. In case the Price Band is revised, the revised Price Band and the Bidding Period will be published in two national newspapers (one each in English and Hindi) with

wide circulation and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate. Bidding Period shall be extended for a further period of three days, subject to the total Bidding Period not exceeding ten working days.

3. During the Bidding Period, the Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.
4. Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph entitled "Bids at Different Price Levels" on page no. 238 of the Red Herring Prospectus) within the Price Band and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum-Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.
5. The Bidder cannot bid on another Bid cum Application Form after his or her Bids on one Bid-cum-Application Form has been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple bidding and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in the paragraph 'Build up of the Book and Revision of bids' on page no. 242 of the Red Herring Prospectus.
6. The members of the Syndicate will enter each bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip (TRS), for each price and demand option and give the same to the Bidder. The Bidder should make sure that they ask for a copy of computerized TRS for every bid option from the syndicate member(s). Therefore, a Bidder can receive up to three TRSs for each Bid-cum-Application Form.
7. Along with the Bid-cum-Application Form, all Bidders will make payment in the manner described under the paragraph "Terms of Payment and Payment into the Escrow Collection Account" on page no. 241 of the Red Herring Prospectus.
8. Investors who are interested in subscribing for the Equity Shares of the Company should approach any of the members of the Syndicate or their authorised agent(s) to register their Bid.
9. Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the section titled "Issue Procedure - Terms of Payment" and "Payment into the Escrow Collection Account" on page no.241 of the Red Herring Prospectus.
10. Investors who are interested in subscribing for the Equity Shares of the Company should approach any of the members of the Syndicate or their authorised agent(s) to register their Bid.
11. For ASBA process, please refer section "Issue Procedure for ASBA Bidders" in the Red Herring Prospectus

Bids at Different Price Levels

1. The price band has been fixed at Rs. 90/- to Rs. 100/- per Equity Share of Rs.10/- each, Rs. 90/- being the floor of the price band and Rs. 100/- being the cap of the price band. The bidders can bid at any price within the price band in multiples of Re.1/-

2. In accordance with the SEBI guidelines, the Company, in consultation with the BRLMs, can revise the Price Band during the Bidding/Issue period, by informing the stock exchanges and issuing a press release and notification on the terminal of the Syndicate Members, in which case the Bidding Period shall be extended further for a period of three additional working days, subject to the total Bidding / Issue Period not exceeding ten working days. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.
3. In case of revision in the Price Band, the Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 (ten) working days. Any revision in the Price Band and the revised Bidding/Issue period, if applicable, will be widely disseminated by notification to BSE and NSE, by issuing a public notice in two widely circulated newspapers (one each in English and Hindi) and, also indicating the change on the relevant websites of the BRLMs and the websites and the terminals of the Syndicate Members.
4. The Company, in consultation with the BRLMs, can finalize the Issue Price within the Price Band without the prior approval of, or intimation, to the Bidders.
5. The Bidder can bid at any price within the Price Band. The Bidder can bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Bidders in the Employees Reservation Portion may bid applying for a maximum Bid in any of Bidding Options not exceeding upto Rs 100,000 may bid at "Cut-off". However, bidding at "Cut-off" is prohibited for QIB or Non Institutional Bidders bidding or Eligible Employees for more than Rs.100,000 and such Bids from QIBs, Non Institutional Bidders and Eligible Employees will be rejected.
6. Retail Individual Bidders and Employees who bid at the Cut-Off price agree that they shall purchase the Equity Shares at the Issue Price, as finally determined which would be a price within the Price Band. Retail Individual Bidder bidding at Cut-Off price shall and Eligible Employees bidding under the Employee Reservation Portion bidding at Cut-Off price shall submit bid – cum – application form along with a cheque / demand draft for the Bid Amount based on the cap of the Price Band in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders and Bidders in the Employee Reservation Portion (i.e., the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), who bid at Cut-off price, the Retail Individual Bidders and Eligible Employees who bid at Cut-off price shall receive the refund of the excess amounts from the respective refund or Escrow Account.
7. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Bidders in the Employee Reservation Portion who had Bid at Cut off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.
8. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Bidders in the Employee Reservation Portion who have Bid at Cut-off could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the respective refund or Escrow Account, as the case may be.
9. The minimum application value shall be within the range of Rs. 6300 to Rs. 7000. The issuer company, in consultation with the BRLMs, shall stipulate the minimum application size (in terms of number of shares) falling within the aforesaid range of minimum

application value and make upfront disclosures in this regard, in the offer document. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 70 Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5000 to Rs. 7000.

10. During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.
11. Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate will not accept incomplete or in accurate Revision Forms.
12. The Bidder can make this revision any number of times during the Bidding/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same members of the Syndicate through whom he or she had placed the original Bid.
13. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
14. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of QIB Bidders, the BRLMs and/or their affiliates, shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
15. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which shall act as proof of his or her having revised the previous Bid.**
16. For ASBA process, please refer section "Issue Procedure for ASBA Bidders" in the Red Herring Prospectus.

Application in the Issue

Equity Shares being issued through the Red Herring Prospectus can be applied for in the dematerialized form only.

Escrow Mechanism

The Company and members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Bidder shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid amount / Margin Amount from Bidders in a certain category would be deposited in the Escrow Account of the Company. The Escrow Collection Banks will act in terms of the Red Herring Prospectus and an Escrow Agreement. The monies in the Escrow Account of the Company shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank shall not exercise any lien whatsoever over the monies deposited therein, and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Public Issue Account and the Refund Account with the Bankers to the Issue in terms of the Escrow Agreement with the Company and as per Red Herring Prospectus.

The Bidders may note that the Escrow Mechanism is not prescribed by SEBI and the same has been established as an arrangement between the Escrow Collection Bank(s), the Company, the Registrars to the Issue and the BRLMs to facilitate collections from the Bidders.

For ASBA process, please refer section "Issue Procedure for ASBA Bidders" in the Red Herring Prospectus.

Terms of Payment and payment into the Escrow Collection Account

Each Bidder, shall provide the applicable Margin Amount, with the submission of the Bid cum Application Form draw a cheque or demand draft for the maximum amount of his/her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (for details refer to the paragraph entitled "Payment Instructions" beginning on page no. 252 of this Red Herring Prospectus and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash/stock invest/money order shall not be accepted. The maximum Bid price has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder. The Margin Amount based on the Bid Amount has to be paid at the time of submission of the Bid-cum-Application Form.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold such monies for the benefit of the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be held for the benefit of the Bidders who are entitled to refunds be transferred to the Refund Account. On the Designated Date, and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank(s) shall dispatch all refund amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allotment to the Bidders failing which the Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

Each category of Bidders i.e., QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned under the section entitled "Issue Structure" on page nos. 228 of this Red Herring Prospectus. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Price, any difference between the amount payable by the Bidder for Equity Shares allocated/allotted at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of 2 (two) days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. QIBs will be required to deposit a margin of 10% at the time of submitting of their Bids. However, if the applicable Margin Amount for Bidders is 100%, the full amount of payment has to be made at the time of submission of the Bid cum Application Form.

Where the Bidder has been allocated/allotted lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allocation/allotment, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which the Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

For ASBA process, please refer section "Issue Procedure for ASBA Bidders" in the Red Herring Prospectus.

Electronic Registration of Bids

- a. The Syndicate Member will register the Bids using the on-line facilities of the BSE and the NSE. There will be at least one on-line connectivity in each city where a stock exchange is located in India, and where bids are accepted.
- b. The BSE and NSE will offer a screen-based facility for registering bids for the Issue. This facility will be available on the terminals of Syndicate Members and their authorised agents during the Bidding / Issue Period. Syndicate Members can also set up facilities for off-line electronic registration of bids subject to the condition that they will subsequently

- upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid / Issue Closing Date, the Syndicate Member will upload the Bids until such time as permitted by the Stock Exchanges.
- c. The aggregate demand and price for bids registered on each of the electronic facilities of the BSE and the NSE will be uploaded on a regular half-hourly basis, consolidated and displayed online at all bidding centres. A graphical representation of consolidated demand and price would be made available at the bidding centres during the Bidding Period. This information can be accessed on BSE's website at www.bseindia.com or on NSE's website at www.nseindia.com.
 - d. At the time of registering each bid, the Syndicate Members shall enter the following details of the investor in the online system:
 - Name of the investor (Investors should ensure that the name given in the bid cum application form is exactly the same as the Name in which the Depository Account is held. In case the Bid cum Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.)
 - Investor category – Individual / Corporate / NRI / FII / Mutual Funds etc.
 - Number of Equity Shares bid for
 - Bid Price
 - Bid-cum-Application Form number
 - Whether Payment is made upon submission of Bid-cum-Application Form
 - Whether Margin Amount/ Bid Amount paid upon submission of Bid cum Application Form; and
 - Depository Participant Identification no. and client identification no. of the dematerialized account of the Bidder
 - e. A system generated Transaction Registration Slip (TRS) (or the Order Confirmation Note) will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the Syndicate Members. The registration of the bid by the Syndicate Members does not guarantee that the Equity Shares shall be allocated either by the Syndicate Members or the Company.
 - f. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
 - g. In case of QIB Bidders, members of the Syndicate also have the right to accept the bid or reject it. However, such rejection should be made at the time of receiving the bid and only after assigning a reason for such rejection in writing. In case of non-institutional Bidders, and Retail Bidders, Bids would not be rejected except on the technical grounds listed at page nos. 256 in the Red Herring Prospectus.
 - h. It is to be distinctly understood that the permission given by the BSE and NSE to use their network and the software of the online IPO system shall not in any way be deemed or construed that the compliance with various statutory and other requirements by the Company, BRLMs etc. are cleared or approved by the BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company, its Promoters, its management or any scheme or project of the Company
 - i. It is also to be distinctly understood that the approval given by the BSE and NSE should not in any way be deemed or construed that the Red Herring Prospectus has been cleared or approved by the BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or continued to be on the BSE and NSE.
 - j. Only bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLMs based on the physical records of Bid Application Forms shall be final and binding on all concerned
 - k. For ASBA process, please refer section "Issue Procedure for ASBA Bidders " in the Red Herring Prospectus.

Build up of the Book and Revision of Bids

- a) Bids registered by various Bidders through the Members of the Syndicate shall be electronically transmitted to the BSE or NSE mainframe on an online basis. Data will be uploaded on regular basis.

- b) The book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.
- c) During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.
- d) Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms.
- e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid.
- f) Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
- g) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
- h) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**
- i) Only bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/allotment. In case of a discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLMs, based on the physical records of Bid cum Application Forms, shall be final and binding on all concerned.
- j) Revision option is not available to ASBA investor. For details, please refer section "Issue Procedure for ASBA Bidders " in the Red Herring Prospectus.

Price Discovery and Allocation/Allotment

- a. After the Bid Closing Date, the BRLMs shall analyze the demand generated at various price levels and discuss the pricing strategy with the Company.
- b. The Company, in consultation with the BRLMs will finalize the Issue Price and the number of equity shares to be allocated in each investor category.
- c. The allotment to QIB Bidders of upto 50% of the Net Issue (including 5% specifically reserved for mutual funds) would be on a proportionate basis in consultation with the Designated Stock Exchange subject to valid bids being received at or above the issue price, in the manner as described in the section entitled "Basis of Allotment – Allotment to QIB Bidders" on page no. 257 of this Red Herring Prospectus. The allocation to Non-Institutional Bidders of not less than 15% of the Net Issue and Retail Individual Bidders of not less than 35% of the Net Issue would be on a proportionate basis in a manner specified in the SEBI Guidelines, in consultation with Bombay Stock Exchange Limited,

designated stock exchange, and subject to valid bids being received at or above the Issue Price.

- d. Under-subscription, if any, in any category, would be allowed to be met with spill over from any of the other categories, at the sole discretion of the Company in consultation with the BRLMs and the Designated Stock Exchange. However if the aggregate demand by mutual funds is less than 1,86,250 equity shares, the balance equity shares available for allocation in the mutual fund portion will be first added to the QIB portion and be allotted proportionately to the QIB bidders. Any under subscription in equity shares reserved for allocation to Eligible Employees would be treated as a part of the Net Issue and allocated in accordance with the basis of allotment described in the section titled "Basis of Allotment" on page no. 257 of this Red Herring Prospectus.
- e. Under-subscription, if any, in the Employee Reservation portion will be added back to the Net Issue and the ratio amongst the investor categories will be at the discretion of the Company and the BRLMs. In case of under- subscription in the Net Issue, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion.
- f. Allocation to all investors including eligible NRIs, FIIs, foreign venture capital funds registered with SEBI applying on repatriation basis will be subject to applicable laws, rules, regulations, guidelines and approvals.
- g. The BRLMs and the Company shall intimate the Syndicate Members of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- h. The Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date but before the allotment without assigning reasons therefore. In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.
- i. The allotment details shall be put on the websites of the Registrar to the Issue.
- j. For ASBA process, please refer section "Issue Procedure for ASBA Bidders" in the Red Herring Prospectus.

Notice to QIBs: allotment reconciliation

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. Based on the electronic book, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Signing of Underwriting Agreement and ROC Filing

- a. The Company, the BRLMs, and other Syndicate Members shall enter into an Underwriting Agreement on finalization of the Issue Price and allocation(s)/allotment to the Bidders.
- b. After signing the Underwriting Agreement, the Company would update and file the updated Red Herring Prospectus with ROC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

Filing of the Red Herring Prospectus with the ROC

The Company will file a copy of the Red Herring Prospectus with the Registrar of Companies, NCT of Delhi & Haryana, Delhi in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Announcement of Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall after receiving final observations, if any, on this Red Herring Prospectus from SEBI, publish an advertisement, in the form prescribed by the SEBI Guidelines in an English national daily with wide circulation, and one Hindi National newspaper with wide circulation.

Advertisement Regarding Issue Price and Red Herring Prospectus

The Company will issue a statutory advertisement after the filing of the Red Herring Prospectus with the ROC in an English national daily with wide circulation and one Hindi National newspaper with wide circulation at New Delhi. This advertisement, in addition to the information (in the format and containing the disclosures specified in Part A of Schedule XX-A of the SEBI Guidelines), that has to be set out in the statutory advertisement, shall indicate the Issue Price along with a table showing the number of Equity Shares. Any material updates between the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note (CAN) and Allotment for the Issue

- a. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLMs or Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated/allotted Equity Shares in the Issue. The approval of the basis of allotment by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, investors should note that the Company shall ensure that the date of allotment of the Equity Shares to all investors in this Issue shall be done on the same date.
- b. The BRLMs or members of the Syndicate would dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the entire Bid Amount into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.
- c. Bidders who have been allocated/allotted Equity Shares and who have already paid the Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for the allotment to such Bidder.
- d. The Issuance of CAN is subject to "Notice of QIBs - Allotment Reconciliation and Revised CANs" as set forth in the section titled "Issue Procedure" of this Red Herring Prospectus.

Designated Date and Transfer of Funds to Public Issue Account

- a) We will ensure that the Allotment of Equity Shares is done within 15 days of the Bid Closing Date/Issue Closing Date. After the funds are transferred from the Escrow Accounts to the Public Issue Account on the Designated Date, we would ensure the credit to the successful Bidders depository account within two days of the date of Allotment.
- b) As per SEBI Guidelines, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the allottees. Allottees will have the option to re-materialise

- the Equity Shares, if they so desire, as per provisions of the Companies Act and the Depositories Act, rules, regulations and byelaws of the Depositories.
- c) After the funds are transferred from the Escrow Accounts to the Public Issue Account on the Designated Date, we will allot the Equity Shares to the Allottees. The company would ensure the allotment of Equity shares within 15 days of Bid / Issue Closing Date and give instructions to credit to allottees' depository accounts within two working days from the date of allotment. In case the company fails to make allotment within 15 days of the Bid/Issue Closing Date, interest would be paid to the investors at the rate of 15% per annum.
 - d) Investors are advised to instruct their depository participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

- a. Check if you are eligible to apply having regard to applicable laws, rules, regulations, guidelines and approvals and the terms of the Red Herring Prospectus;
- b. Read all the instructions carefully and complete the resident Bid-cum-Application Form (white in colour) or non resident Bid-cum-Application Form (blue in colour) as the case may be,
- c. Ensure that you Bid only in the Price Band.
- d. Ensure that the details about your depository participant and beneficiary account are correct as shares will be allotted in the dematerialised form only.
- e. Ensure that the DP account is activated;
- f. Investor must ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the beneficiary account is held with the Depository participant. In case the Bid cum Application Form is submitted in joint names, it should be ensured that the beneficiary account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.
- g. Ensure Bids are submitted at the bidding centres only on forms bearing stamp of the Syndicate Member at the Bidding Centres.
- h. Ensure that you have been given a TRS for all your bid options.
- i. Submit Revised Bid to the same Syndicate Member through whom the original Bid was placed and obtain a revised TRS.
- j. Submit the Bid with the applicable Margin Amount. Ensure that you mention your Permanent Account Number (PAN) allotted under the I.T. Act. In case the PAN has not been allotted, mention, "Not allotted" in the appropriate place and attach a copy of Form 60 or 61 as the case may be, together with permissible documents as address proof.
- k. QIBs shall submit their bids only to the BRLMs or Syndicate Members duly appointed in this regard.
- l. Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

Don'ts:

- a. Do not Bid for lower than minimum Bid size.
- b. Do not Bid or revise the Bid to a Price that is less than the floor of the Price Band or higher than the cap of the Price Band.

- c. Do not Bid on another Bid-cum-Application Form after you have submitted the Bid to a Syndicate Member.
- d. Do not Pay Bid amount in cash or by money order or by postal order or by stock invest.
- e. Do not Send Bid-cum-Application Forms by post; instead hand them over to a Syndicate Member only.
- f. Do not Bid at cut off price (for QIB Bidder and Non-Institutional Bidders and Bidders bidding under the Employees Reservation Portion, for whom the bid amount exceeds Rs. 1 Lakh).
- g. Do not Fill up the Bid cum Application Form for an amount that exceeds the issue size and / or investment limit or maximum number of Equity Shares that can be held by a Bidder under the applicable law or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus
- h. Do not Bid at Bid Amount exceeding Rs 100,000 (for Retail Individual Bidders);
- i. Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

Instructions for Filling up the Bid-cum-Application Form

Bidders can obtain Bid-cum-Application Forms and/or Revision Forms from the BRLMs or Syndicate Members. For ASBA process, please refer to the Section titled "Issue Procedure for ASBA Bidders " in the Red Herring Prospectus.

Bids and Revision of Bids

Bids and revisions to Bids must be:

- a. Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable (white colour for Resident Indians and eligible NRIs applying on non-repatriation basis and blue colour for Non Residents including eligible NRIs, FIIs registered with SEBI and FVCIs registered with SEBI, applying on repatriation basis.
- b. Made in single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- c. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid-cum-Application Form or in the Revision Form. Incomplete Bid-cum-Application Forms or Revision Forms are liable to be rejected.
- d. For Retail Individual Bidders, the Bids must be for a minimum of 70 Equity Shares and in multiples of 70 Equity Shares thereafter subject to a maximum Bid amount of Rs. 1 Lakh.
- e. For non institutional and QIB Bidders, Bids must be for a minimum of such number of Equity shares that the Bid amount exceeds Rs. 100,000/- and in multiples of 70 Equity Shares thereafter. Bids cannot be made for more than the size of the Issue. Bidders are advised to ensure that a single bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws & regulations.
- f. For Eligible Employees, the Bid must be for a minimum of 70 Equity Shares and shall be in multiples of 70 Equity Shares thereafter. The maximum Bid in this portion cannot exceed 50,000 Equity Shares.
- g. Thumb impressions and signatures other than in the languages specified in the Eight Schedule in the Constitution of India must be attested by a magistrate or a notary public or a special executive magistrate under official seal.

- h. Revision option is not available to ASBA investor. For details, please refer section “Issue Procedure for ASBA Bidders” in the Red Herring Prospectus.

Bidder’s Bank Account Details

Bidders should note that on the basis of name of the Bidders, Depository Participant’s name, Depository Participant Identification Number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Bidder bank account details. These bank account details would be printed on the refund order, if any, to be sent to Bidders or used for sending the refund through Direct Credit, NEFT, RTGS or ECS. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs nor the Bank shall have any responsibility and undertake any liability for the same.

Bidder’s Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT’S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, DP’s name, Depository Participant-Identification Number and Beneficiary Account Number provided by them in the Bid cum application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for printing on refund orders and occupation (herein after referred to as Demographic Details.) Hence, Bidders **are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs, nor the Company shall have any responsibility and undertake any liability for the same.**

These Demographic Details would be used for all correspondence with the bidders including mailing of the refund orders/CANS/Allocation Advice and printing of Bank particulars on the refund order or for refunds through electronic transfer of funds, as applicable. The demographic Details given by Bidders in the Bid-cum-Application Form would not be used for any other purposes by the Registrar. Hence, Bidders are advised to update their Demographic Details as provided to their DPs.

By signing the Bid cum Application Form, Bidder would have deemed to authorize the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on the records.

Refund orders / Allocation Advice / CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay on account of returned refund orders/allocation advice/CANs shall be at the Bidders’ sole risk and neither the Company, Escrow Collection Bank nor the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, namely names of the Bidders (including the order of names of joint holders), the DP’s identity and the beneficiary’s identity, then such Bids are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice or refunds through electronic transfer of funds, the Demographic Details given on the Bid-cum-Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid-cum-Application Form instead of those obtained from the depositories.

Bids by Eligible Employees

For the purpose of the Employee Reservation Portion, Eligible Employee means a permanent employee or the director(s) of the Company who is an Indian national based in India and is physically present in India on the date of submission of the Bid-cum-Application Form. In addition, such person should be an employee or director during the period commencing from the date of filing of the Red Herring Prospectus with ROC up to the Bid/Issue closing date. Eligible employees forming part of Promoter /Promoter Group/ are not eligible to be treated as eligible employees

- a. Made only in the prescribed Bid-cum-Application Form or Revision Form (i.e. pink colour Form).
- b. Eligible Employees, as defined above, should mention their Employee Number at the relevant place in the Bid-cum-Application Form:
- c. The sole/ first bidder should be Eligible Employees as defined above.
- d. Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion.
- e. Eligible Employees will have to bid like any other Bidder. Only those bids, which are received at or above the Issue Price, would be considered for allocation under this category.
- f. Eligible Employees who apply or bid for securities of or for a value of not more than Rs. 100,000 in any of the bidding options can apply at Cut-Off. This facility is not available to other Eligible Employees whose minimum Bid Amount exceeds Rs. 100,000.
- g. The maximum bid in this category by any Eligible Employee cannot exceed 50,000 Equity Shares
- h. The Bids must be for a minimum of 70 Equity Shares and in multiples of 70 Equity Shares thereafter. The allotment in the Employee Reservation portion will be on a proportional basis.
- (i) Bid/ Application by Eligible Employees can be made also in the "Net Issue" and such bids shall not be treated as multiple bids.
- i. If the aggregate demand in this category is less than or equal to 50,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- j. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. In case of under-subscription in the Net Issue, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion.
- k. If the aggregate demand in this category is greater than 50,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, refer to the section titled "Basis of Allotment" on page 257 of this Red Herring Prospectus.

Bids by Non Residents, NRIs, FIIs and Foreign Venture Capital Investors registered with SEBI on a repatriation basis

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In a single name or joint names (not more than three and in the same order as their Depository Participant details)
3. By eligible NRIs for a Bid Price of up to Rs. 100,000 would be considered under the Retail Individual Portion for the purposes of allocation and Bids for a Bid Price of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation;
4. By other eligible non-resident Bidders for a minimum of such number of Equity Shares and in multiples of 70 thereafter such that the Bid Price exceeds Rs. 100,000.
5. By FIIs /FVCIs registered with SEBI – for a minimum of such number of Equity Shares and in multiples of 70 thereafter that the Bid Amount exceeds Rs. 100,000.
6. In the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.
7. Refunds dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. The Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

The Company does not require approvals from FIPB or RBI for the Issue of Equity Shares to eligible NRIs, FIIs, foreign venture capital investors registered with SEBI and multilateral and bilateral development financial institutions.

As per the existing policy of the Government of India, OCBs are not permitted to participate in the Issue.

There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and foreign venture capital funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

In case of Bids made pursuant to a Power of Attorney or by limited companies, corporate bodies, registered societies, a certified copy of the Power of Attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum and Articles of Association and/or Bye Laws must be lodged along with the Bid-cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made pursuant to a Power of Attorney by FIIs, FVCIs, VCFs and Mutual Funds, a certified copy of the Power of Attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid-cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

The Company in its absolute discretion, reserves the right to relax the condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that the Company and the BRLMs may deem fit.

Bids made by Insurance Companies

In case of Bids made by Insurance Companies registered with the Insurance Regulatory and Development Authority, a certified true copy of the certificate of registration issued by with the Insurance Regulatory and Development Authority must be submitted with the Bid cum Application Form. Failing this, the Company and the BRLMs reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof

Bids made by Provident Funds

In case of Bids made by provident funds with minimum corpus of Rs. 2500 lakhs and pension funds with minimum corpus of Rs. 2500 lakhs, a certified true copy of a certificate from a chartered accountant, certifying the corpus of the provident fund/pension fund must be submitted with the Bid cum Application Form. Failing this, the Company and the BRLMs reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Bids made by Mutual Funds Venture Capital Fund & Foreign Venture Capital Investor

In case of Bids made by mutual fund registered with SEBI, venture capital fund registered with SEBI and foreign venture capital investor registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Bid cum Application Form. Failing this, the Company and the BRLMs reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

The Company, in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the Power of Attorney along with the Bid cum Application form, subject to such terms and conditions that the Company/the BRLMs may deem fit.

Bids and revision to Bids must be made:

On the Bid-cum-Application Form or the Revision Form, as applicable, and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

- In a single name or joint names (not more than three)
- **By NRIs** – For a minimum of 70 Equity Shares and in multiples of 70 thereafter subject to a maximum Bid amount of Rs. 100,000 for the Bid to be considered as part of the Retail Portion. Bids for the Bid Amount more than Rs. 100,000 would be considered under Non-Institutional Category for the purposes of allocation. For further details see “Maximum and Minimum Bid Size” on page no. 236 of this Red Herring Prospectus.
- **By FIIs** – for a minimum of such number of Equity Shares and in multiples of 70 that the Bid Amount exceeds Rs. 100,000. For further details see section titled “Maximum and Minimum Bid Size” on page no 236 of the Red Herring Prospectus.
- In the names of individuals or in the names of FIIs or in the names of FVCIs, Multilateral and Bilateral Development Financial Institutions but not in the names of minors, firms or partnerships, foreign nationals (excluding NRIs) or their nominees or OCBs.
- Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money payable upon submission of the Bid-cum-Application Form or Revision Form through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post/ speed post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. The Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

The Company does not require approvals from FIPB or RBI for the transfer of Equity Shares to eligible NRIs, FIIs, FVCIs registered with SEBI and multilateral and bilateral institutions. As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non Residents, NRIs, FIIs and FVCIs and all Non Residents, NRI, FII and FVCIs applicants will be treated on the same basis with other categories for the purpose of allocation.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account of benefit of, "U.S. Persons" (as defined in the Regulation S of the Securities Act), except pursuant to any exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares may be offered and sold only (i) in United States to 'qualified institutional buyers' as defined in Rule 144A of the Securities Act, and (ii) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

PAYMENT INSTRUCTIONS

The Company shall open an Escrow Accounts of the Company with the Escrow Collection Banks for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation/allotment in the Issue.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank(s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be held for the benefit of the Bidders who are entitled to refunds. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Company, the members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Payment into Escrow Account of the Company

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

1. The Bidders for whom the applicable margin is equal to 100% shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account of the Company and submit the same to the member(s) of the Syndicate.
2. In case where the margin amount paid by the Bidders during the Bidding/Issue Period is less than less than 100% of the Bid Price, any difference between the amount payable by the Bidder for Equity Shares allocated/allotted at the Issue Price and the Margin Amount paid at the time of Bidding be paid by the Bidders into the Escrow Account of the Company within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs.
3. The payment instruments for payment into the Escrow Account of the Company should be drawn in favour of:
 - a) In case of Resident Retail and Non Institutional Bidders: "Escrow Account – GSL Public Issue - R "
 - b) In case of Non Resident Retail and Non Institutional Bidders: "Escrow Account – GSL Public Issue - NR"

- c) In case of Resident QIB Bidders: "Escrow Account – GSL Public Issue –QIB R"
 - d) In case of Non Resident QIB Bidders : "Escrow Account – GSL Public Issue - QIB - NR"
 - e) In case of Eligible Employees : "Escrow Account – GSL Public Issue – Eligible Employee"
4. In case of Bids by eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of a Non-Resident Ordinary (NRO) account of a Non-Resident bidder bidding on a repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR Account.
 5. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made out through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.
 6. In case of Bids by FIIs, FVCIs registered with SEBI and the multilateral and bilateral financial institutions the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.
 7. Where a Bidder has been allocated a lesser number of Equity Shares than what the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account of the Company.
 8. The monies deposited in the Escrow Account of the Company will be held for the benefit of the Bidders till the Designated Date.
 9. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account of the Company as per the terms of the Escrow Agreement into the public issue account with the Bankers to the Issue.
 10. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation to the successful Bidders
 11. Bidders are advised to mention the number of application form on the reverse of the cheque/demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.
 12. In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.
 - 13. Payments should be made by cheque, or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid**

cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/Stock invest/Money Orders/Postal orders will not be accepted

Payment instructions for ASBA Investor

For ASBA process, please refer to the section titled "Issue Procedure for ASBA Bidders" in the Red Herring Prospectus.

Payment by Stockinvest

In terms of RBI circular no. DBOD No. FSC BC 42/24.47.00/2003-2004 dated November 5, 2003; the option to use the Stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through Stock invest has been withdrawn.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by Account Payee cheques or drafts shall be submitted to the Syndicate Member at the time of submitting the Bid-Cum Application Form.

No separate receipts shall be issued for the money payable on submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the Syndicate Member will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

An ASBA investor shall submit an ASBA physically or electronically through the internet banking facility, to the SCSB with whom the bank account to be blocked, is maintained. For further details pertaining to ASBA process, please refer section "Issue Procedure for ASBA Bidders" in this Red Herring Prospectus.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all refunds will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form ("First Bidder"). All communications will be addressed to the First Bidder and will be despatched to his/her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole/First Bidder is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file as probable multiple master.
2. In this master, a check will be carried out for the same PAN number. In cases where the PAN numbers are different, the same will be deleted from this master.
3. The Registrar to the Issue will obtain, from the depositories, details of the applicants' address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form
4. Then the addresses of all these applications in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each

application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. Application with the same name and same address will be treated as multiple applications.

5. The applications will be scanned for similar DP ID and Beneficiary Account numbers. In case applications bear the same DP ID and Beneficiary Account numbers, these will be treated as multiple applications.
6. After consolidation of all the masters as described above, a print out of the same will be taken and the applications physically verified to tally signatures as also fathers/husbands names. On completion of this, the applications will be identified as multiple applications
7. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/beneficiary ID. In case of applications with common DP ID/ beneficiary ID, the same are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
8. Applications which do not qualify as multiple application as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked.
9. Subsequent to the aforesaid procedures, a print out of the same will be taken and the applications physically verified to tally signatures as also fathers/husbands names. On completion of this, the applications will be identified as multiple applications.

Procedure for Application by Mutual Funds

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Bids made by Employees both under Employee Reservation Portion as well as in the Net Issue shall not be treated as multiple Bids.

The Company and the BRLMs reserve the right to reject, in their absolute discretion, all or any of the multiple Bids in any or all categories.

Permanent Account Number or PAN

For all Bid(s), the Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her Permanent Account Number (PAN) allotted under the I.T. Act.

Pursuant to the circular MRD/DoP/Circ-05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction with effect from July 2, 2007. Each of the Bidders, should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground.

Unique Identification Number or UIN

With effect from July 1, 2005 SEBI had decided to suspend all fresh registration for obtaining UIN and the requirement to contain/quote UIN under the SEBI MAPIN Regulations/Circulars vide its circular bearing number MAPIN/Cir-13/2005. However, in a recent press release dated December 30, 2005, SEBI has approved certain policy decisions and has now decided to resume registrations for obtaining UINs in a phased manner. The press release states that the cut off limit for obtaining UIN has been raised from the existing limit of trade order value of Rs.100,000 to Rs.500,000 or more. The limit will be reduced progressively. For trade order value of less than Rs.500,000 an option will be available to investors to obtain either the PAN or UIN. These changes are, however not effective as of the date of this Red Herring Prospectus and SEBI has stated in the press

release that the changes will be implemented only after necessary amendments are made to the SEBI MAPIN Regulations.

COMPANY'S RIGHT TO REJECT BIDS

The Company and the members of the Syndicate reserve the right to reject any Bid without assigning any reason thereof in case of QIBs provided the reasons for rejecting the same shall be provided to such bidders in writing. In case of Non Institutional Bidders and Retail Individual Bidders, and Bidders in the Employees Reservation Portion, the Company would have the right to reject Bids only on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on *inter-alias*, the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for,
2. Bank account details (for refund) are not given;
3. Age of First Bidder not given;
4. In case of partnership firms Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
5. Bids by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
6. PAN number not given in the Bid cum Application Form;
7. GIR number furnished instead of PAN;
8. Bids for lower number of Equity Shares than specified for that category of investor;
9. Bids at a price less than the floor of the Price Band or higher than the cap of the Price Band,
10. Bids at cut-off price by a QIB bidder or a Non Institutional Bidder, whose bid amount exceeds Rs. 100,000;
11. Bids for number of Equity Shares, which are not multiples of 70;
12. Category not ticked;
13. Multiple Bids;
14. In case of Bid under Power of Attorney or by limited companies, corporate, trust, etc., relevant documents are not submitted;
15. Bids accompanied by Stockinvest/ money order/ postal order/ cash;
16. Signature of sole and / or joint Bidders missing;
17. Bid-cum-Application Form does not have the stamp of the BRLMs or member of the Syndicate;
18. Bid-cum-Application Form does not have the Bidder's depository account details;
19. Bid-cum-Application Forms are not submitted by the Bidders within the time prescribed as per the Bid cum Application Form, Bid/Issue Opening Date advertisement and the Red

Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Form;

20. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
21. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
22. Bids in respect where the Bid-cum-Application form do not reach the Registrar to the Issue Prior to the finalisation of the Basis of Allotment;
23. Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
24. Bids by OCBs or
25. Bids by person who is not eligible to acquire Equity shares of the Company in terms of all applicable laws, rules, regulations, guidelines and approvals.
26. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. See the details regarding the same in the section titled "Issue Procedure – Bids at Different Price Levels" beginning on page no. 238 of this Red Herring Prospectus
27. Bids by U.S. persons other than entities that are both "qualified institutional buyers" as defined in Rule 144A of the U.S. Securities Act, 1933 and "qualified purchasers" under the Investment Companies Act;
28. Bids by QIBs not submitted through members of the Syndicate;
29. Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
30. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
31. Bids by employees of the Company or Directors of the Company not eligible to apply in the Employee Reservation Portion; or
32. Bids under the Employee Reservation Portion for amounts greater than 50,000 Shares.
33. Bids through ASBA process by Eligible Employees, Non-Institutional & QIB Bidders

Basis of Allotment

A. For Retail Individual Bidders:

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less allotment to Non-Institutional and QIB Bidders shall be available for allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this portion is less than or equal to 26,07,500 Equity Shares at or above the Issue Price, full allotment shall be made to the Retail Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than 26,07,500 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a

minimum of 70 Equity Shares and in multiples of one equity shares thereafter. The method of proportionate basis of allotment is stated below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less allotment to QIBs Bidders and Retail Individual Bidders shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 11,17,500 Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 11,17,500 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of 70 Equity Shares and in multiples of one equity shares thereafter. The method of proportionate basis of allotment is stated below.

C. For QIB Bidders

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allotment to all the QIB Bidders will be made at the Issue Price.
- The QIB Portion shall be available for allocation to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

However, eligible Bids by Mutual Funds only shall first be considered for allocation proportionately in the Mutual Funds Portion. After completing proportionate allocation to Mutual Funds for 1,86,250 Equity Shares (the Mutual Funds Portion), the remaining demand by Mutual Funds, if any, shall then be considered for allocation proportionately, together with Bids by other QIBs, in the remainder of the QIB Portion (i.e. after excluding the Mutual Funds Portion). For the method of allocation in the QIB Portion, see the paragraph titled "Illustration of Allotment to QIBs" appearing below. If the valid Bids by Mutual Funds are for less than 1,86,250 Equity Shares, the balance Equity Shares available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and allocated proportionately to the QIB Bidders. For the purposes of this paragraph it has been assumed that the QIB Portion for the purposes of the Issue amounts to 50% of the Issue size, i.e. 37,25,000 Equity Shares

- Allotment shall be undertaken in the following manner:
 - a. In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:
 - i. In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.
 - ii. In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full allotment to the extent of valid bids received above the Issue Price.
 - iii. Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for allotment to all QIB Bidders as set out in (b) below;
 - b. In the second instance allotment to all QIBs shall be determined as follows:
 - i. In the event that the oversubscription in the QIB Portion, all QIB Bidders who

have submitted Bids at or above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

- ii. Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
- iii. Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.
- iv. The aggregate Allotment to QIB Bidders shall be upto 37,25,000 Equity Shares.

In case the aggregate demand in this category is greater than 37,25,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of 70 Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate basis of allocation refer below.

For Employee Reservation Portion

- Only Eligible Employees are eligible to apply under the Employee Reservation Portion
- Bids received from the Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Employees will be made at the Issue Price.
- If the aggregate demand in this category is less than or equal to 50,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand.
- If the aggregate demand in this category is greater than 50,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 50,000 Equity Shares up to a minimum of 70 Equity Shares and in multiples of 70 Equity Shares thereafter. Only Employees (as defined above) are eligible to apply under Employee Reservation Portion. For the method of proportionate basis of allocation, refer below.

Under-subscription, if any, in any category would be met with spill-over from other categories at our sole discretion, in consultation with the BRLMs.

The BRLMs, Registrar to the Issue and the Designated Stock Exchange shall ensure that the basis of allotment is finalized in a fair and proper manner in accordance with SEBI Guidelines. The drawal of lots (where required) to finalise the basis of allotment, shall be done in the presence of a public representative on the Governing Board of the Designated Stock Exchange.

Procedure and Time Schedule for Allotment of Equity Shares

The Syndicate Members have the right to reject the Bid received from QIB at the time of receipt of the Bids. However, the Syndicate Members shall disclose the reasons for not accepting the Bid to the Bidder. In case of Non- Institutional Bidders and Retail Individual Bidders, the company has a right to reject bids based on technical grounds. In case a Bid is rejected in full, the whole of the Bid Amount will be refunded to the Bidder within 15 days of the Bid/ Issue Closing Date. In case a bid is rejected in part, the excess Bid Amount will be refunded to the Bidder within 15 days of the Bid/ Issue Closing Date. The Company will ensure allotment/ transfer of the Equity Shares within 15 days of the Bid/ Issue Closing Date, and the company shall pay interest at the rate of 15% per annum (for any delay beyond the periods as mentioned above), if Equity Shares are not allotted, refund orders are not dispatched and/ or demat credits are not made to investors within two working days from the date of allotment.

Method of Proportionate Basis of Allotment

In the event of the Issue being over-subscribed, the basis of allotment shall be finalized by the company in consultation with the Designated Stock Exchange. The Executive Director or

Managing Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs, and the Registrar to the Issue shall be responsible for ensuring that the basis of allotment is finalized in a fair and proper manner. The allocation shall be made in multiples of one share, on a proportionate basis as explained below subject to minimum allocation being equal to 70 equity shares.

The subscription of for each portion will be computed separately. The allotment shall be made in marketable lots, on a proportionate basis as explained below :

- a. Bidders will be categorized according to the number of Equity Shares applied for.
- b. The total number of Equity Shares to be allotted to each category, as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- c. Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the oversubscription ratio.
- d. In all Bids where the proportionate allotment is less than 70 Equity Shares per Bidder, the allotment shall be made as follows:
 - Each successful Bidder shall be allotted a minimum of 70 Equity Shares; and
 - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above.
- e. If the proportionate allotment to a Bidder is a number that is more than 70 but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. Allotment to all Bidders in such categories would be arrived at after such rounding off.

If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares. The basis of allocation on a proportionate basis shall be finalised in consultation with the Designated Stock Exchange.

EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL

In terms of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialized form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode.)

In this context, the following two tripartite agreements have been signed between (Registrars of the Company), the Depositories and the Company:

- i. An Agreement dated September 5, 2007 among NSDL, the Company and the Registrar to the Issue.
- ii. An Agreement dated August 28, 2007 among CDSL, the Company and the Registrar to the Issue.

All Bidders can seek allotment only in dematerialised mode. Bids from any Bidder without the following details of his or her depository account are liable to be rejected:

- a. A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of NSDL or CDSL prior to making the Bid.
- b. The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's Identification number) appearing in the Bid cum Application Form or Revision Form.
- c. Equity Shares allotted to a Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
- d. Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository, In case of joint holders, the names should necessarily be in the same sequence as they appear in the depository account of the Bidders).
- e. If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form it is liable to get rejected.
- f. The Bidder is responsible for the correctness of his or her demographic details given in the Bid-cum-Application Form vis-à-vis those with his or her Depository Participant.
- g. It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL or CDSL. All the stock exchanges where Equity Shares are proposed to be listed are connected to NSDL and CDSL.
- h. The trading of Equity Shares of the Company would only be in dematerialized form for all investors in the dematerialized segment of the respective Stock Exchanges.

The ISIN Number of the Company is INE 615I01010

COMMUNICATIONS

All future communications in connection with Bid made in the Issue should be addressed to the Registrars to the Issue quoting full name of the sole/first Bidder, Bid-cum-Application Form number, number of Equity Shares applied for, date, bank and branch alongwith details of Depository Participant, where the Bid-cum-Application was submitted and cheque /draft number and issuing bank thereof.

Pre-Issue and Post Issue related problems

Investors can contact the Compliance Officer Mr. Santosh Kumar Pattanayak, Company Secretary or the Registrar to the Issue M/s Link Intime India Private Limited in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted

shares in the respective beneficiary accounts, refund orders etc. The Compliance Officer may be contacted at:

Mr. Santosh Kumar Pattanayak
Company Secretary & Compliance Officer
C-631 New Friends Colony,
New Delhi – 110 065
India
Pin: 110065
Tel.: + 91 11 26928130
Fax: +91 11 26822805
E-mail: ipo@globusgroup.in
Website: www.globusspirits.com

Address of the Registrar:

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound
LBS Marg
Bhandup (West)
Mumbai – 400 078, India
Tel : +91 22 2596 0320
Fax: +91 22 2596 0329
E-mail: gsl.ipo@intimespectrum.com
Website: www.linkintime.co.in

Disposal of Applications and Application Money

The Company shall ensure dispatch of allotment advice, transfer advice or refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within two working days of date of allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system with in 15 days from the Bid/Issue Closing date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 15 days of Bid/Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall put in its best efforts to insure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within seven working days of finalisation of the basis of allotments.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI DIP Guidelines, the Company further undertakes that:

- Allotment of Equity Shares will be made only in dematerialized form within 15 days from the Bid/Issue Closing Date;

- **Dispatch of refund orders**

Dispatch of refund orders or in case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 days from the Bid/Issue Closing Date would be ensured; and

- **Interest in case of delay in dispatch of allotment letters/refund orders/instructions to self certified Syndicate Banks in ASBA Process**

The Company shall pay interest @15% (fifteen) per annum for any delay beyond the 15(fifteen)-day time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in

the disclosed manner and/ or demat credits are not made to investors within the 15 days from the Bid/Issue Closing date.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

No separate receipts shall be issued for the money payable on the submission of Bid-cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the record of the Bidder.

Modes of Refund

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant- Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Bidders bank account details including nine digit MICR code. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the sole or Bidder's sole risk and neither the BRLMs nor the Company shall have any responsibility and undertake any liability for the same.

The payment of refund, if any, shall be undertaken in the following order of preference:

1. NEFT (National Electronic Fund Transfer)

Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR) , if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the Demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.

2. ECS

Payment of refund shall be undertaken through ECS for applicants having an account at any of the following centres: Agra, Ahmedabad, Allahabad, Amritsar, Aurangabad, Baroda, Bangalore, Bhilwara, Bhopal, Bhubaneswar, Burdwan, Kolkata, Calicut, Chandigarh, Chennai, Coimbatore, Dehradun, Dhanbad, Durgapur, Erode, Gorakhpur, Guwahati, Gwalior, Haldia, Hubli, Hyderabad, Indore, Jabalpur, Jalandhar, Jaipur, Jammu, Jamshedpur, Jodhpur, Kakinada, Kanpur, Kochi/Ernakulam, Kolhapur, Lucknow, Ludhiana, Madurai, Mangalore, Mumbai, Mysore, Nagpur, Nashik, New Delhi, Nellore, Panaji, Patna, Pune, Pondicherry, Raipur, Rajkot, Ranchi, Salem, Shimla, Sholapur, Siliguri, Surat, Tirupati, Tirupur, Trichy, Trichur, Thiruvananthapuram, Udaipur, Varanasi, Vijaywada and Visakhapatnam managed by RBI and other banks. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory through ECS for applicants having a bank account at any of the abovementioned sixty eight centres, except where the applicant, being eligible, opts to receive refund through Direct Credit or Real Time Gross Settlement (RTGS).

3. Direct Credit

Applicants applying through the web/internet whose service providers opt to have the refund amounts for such applicants being by way of direct disbursement by the service provider through their internal networks, the refund amounts payable to such applicants

will be directly handled by the service providers and credited to bank account particulars as registered by the applicant in the demat account being maintained with the service provider. The service provider, based on the information provided by the Registrar, shall carry out the disbursement of the refund amounts to the applicants.

4. RTGS

Applicants having a bank account at any of the centres where RTGS facility is available and whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Issuer. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant

Note: Wherever payments cannot be made through NEFT or ECS or direct credit and the refund amount exceeds one million, such applicants shall have the option to receive the refund payment through RTGS.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders shall be dispatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Please note that applicants having a bank account at any of the 68 centres where the clearing houses for ECS are managed by the RBI and other PSU Banks are eligible to receive refunds through the modes detailed in I, II, III and IV above. For all the other applicants, including applicants who have not updated their bank particulars along with the nine digit MICR Code, prior to the Bid/Issue Opening Date, the refund orders would be dispatched under "Under Certificate of Posting" for refund orders less than Rs. 1,500 and through speed post/registered post for refund orders exceeding Rs. 1,500.

LETTERS OF ALLOTMENT OR REFUND ORDERS OR INSTRUCTIONS TO SELF CERTIFIED SYNDICATE BANKS IN ASBA PROCESS

The Company shall give credit to the beneficiary account with depository participants within two working days from the date of allotment. Applicants residing at sixty-eight centres where clearing houses are managed by the RBI and other PSU Banks, will get refunds through ECS only except where applicant has otherwise disclosed as eligible to get refunds through direct credit and/or RTGS. The Company shall ensure the dispatch refund orders, if any, of value up to Rs.1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs.1,500 if any, by registered post or speed post at the sole or first Bidder's sole risk within 15 days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within fifteen days of closure of Bid/ Issue.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI DIP Guidelines, the Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialized form not later than 15 days of the Bid/Issue Closing Date;
- Refunds shall be made within 15 days of the Bid/Issue Closing Date at the sole or First Bidder's sole risk, except for Bidders who have opted to receive refunds through Direct Credit, NEFT, RTGS or ECS;
- The Company shall pay interest at 15% per annum if allotment letters/refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not been given to the clearing system in the disclosed manner within 15 days of the Bid/Issue Closing Date.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as Escrow Collection Banks and payable at par at places where Bids are received except where the refund or portion thereof is made in electronic mode/manner. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

For ASBA process, please refer section "Issue Procedure for ASBA Bidders" in the Red Herring Prospectus.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"Any person who:

- a. Makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or**
- b. Otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name**

shall be punishable with imprisonment for a term which may extend to five years."

Interest in case of delay in dispatch of allotment letters/refund orders/ instructions to self certified Syndicate Banks in ASBA Process

The Company agrees that allotment of securities offered to the public shall be made not later than 15 days of the closure of Public Issue. The Company further agrees that it shall pay interest @15% per annum if the allotment letters/refund orders have not been dispatched to the applicants or if, in, a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from the date of the closure of the Issue.

However, applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscriptions requirement shall not be entitled for the said interest.

Refund orders shall be payable at par at all centres where Bidding terminal were set up to receive Bids from Bidders.

In case of applicants who receive refunds through ECS, Direct Credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 15 days of Bid/ Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of finalization of Basis of Allotment.

UNDERTAKINGS BY THE COMPANY

The Company undertakes as follows:

- a. That the complaints received in respect of this Issue shall be attended to by the Company expeditiously and satisfactorily;

- b. That all steps for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are to be listed are taken within seven working days of finalization of the basis of allotment;
- c. That adequate funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Company;
- d. That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of the issue giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of refund;
- e. That the refund orders or allotment advice to the successful bidders shall be dispatched within specified time;
- f. That no further Issue of Equity Shares shall be made until the Equity Shares issued through this Red Herring Prospectus are listed or until the Bid moneys are refunded on account of non-listing, under subscription, etc;
- g. That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount (ASBA) and to consider them similar to non-ASBA applications while finalizing the basis of allotment;
- h. That at any given time there shall be only one denomination for the shares of the company; and
- i. That the Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

The Company shall not have recourse to the Issue Proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Utilization of Issue Proceeds

The Board of Directors of the Company certifies that:

- a. All monies received out of the Fresh Issue shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- b. Details of all monies utilized out of the Fresh Issue shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies have been utilized;
- c. Details of all unutilized monies out of the Fresh Issue, if any, shall be disclosed under the appropriate separate head in the balance sheet of the Company indicating the form in which such unutilized monies have been invested.
- d. The Company shall not have recourse to the Issue proceeds until approval for trading of Equity Shares from all the stock exchanges where listing is sought is received.
- e. The Company shall comply with the requirements of Clause 49 of the Listing Agreement in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.

Pending utilization for the purposes described above, the company intends to temporarily invest the funds in high quality interest/dividend bearing liquid instruments including money market mutual funds, deposits with banks and similar securities with banks for the necessary duration. These investments would be authorised by the Company's Board or duly authorised committee thereof and would be in accordance with the investment policies approved by the Board from time to time.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs reserves the right not to proceed with the Issue at anytime, including after the Bid/Issue Closing Date but before the Board meeting for Allotment, without assigning any reason. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment. In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/ Issue Closing Date.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

The Industrial Policy, 1991 and the FEMA regulated foreign investment in Indian Securities. The Industrial Policy, 1991 stipulates the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian Economy. The FEMA further regulates foreign investment by prescribing the precise manner in which such investment may be made.

Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. As per current foreign investment policies, foreign investment in the real estate sector is permitted under the automatic route in relation to investments by NRIs.

By way of Circular No.53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. Transfers of equity shares previously required the prior approval of the FIPB. However, vide a RBI circular dated October 4, 2004 issued by the RBI, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (FDI) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Subscription by NRIs/ FIIs

It is to be distinctly understood that there is no reservation for Non-Residents, NRIs, FIIs foreign venture capital investors registered with SEBI and multilateral and bilateral development financial institutions and such NRIs, FIIs, foreign venture capital investors registered with SEBI and multilateral and bilateral development financial institutions will be treated on the same basis as other categories for the purpose of allocation.

As per the RBI regulations, OCBs cannot participate in this Issue.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of the post-Issue paid-up capital of the Company. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital or 5% of the total issued capital of the Company in case such sub-account is a foreign corporate or an individual.

With the approval of the board of directors and the shareholders by way of a special resolution, the aggregate FII holding limit may be increased to 100%.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15(A)(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its sub-account may issue, deal or hold, offshore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

ISSUE PROCEDURE FOR ASBA BIDDERS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. The Company and the BRLMs are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this RHP. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Form is correctly filled up, as described in this section.

The list of banks who have been notified by SEBI to act as SCSB for the ASBA Process are provided on www.sebi.gov.in. For details on designated branches of SCSB collecting the ASBA Form, please refer the above-mentioned SEBI website.

ASBA Process

A Resident Retail Individual Investor shall submit his Bid through an ASBA Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder (**ASBA Account**) is maintained. The SCSB shall block an amount equal to the Bid Amount in the bank account specified in the ASBA Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. Once the Basis of Allotment is finalized, The Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Bidders to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the BRLM

ASBA Form

ASBA Bidders shall use the ASBA Form bearing the code of the Syndicate Member and/or the Designated Branch of SCSB, as the case may be, for the purpose of making a Bid in terms of the Red Herring Prospectus. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Bidder shall submit the ASBA form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA account held with SCSB, and accordingly registering such Bids. The ASBA Bidders can submit only one Bid option in the ASBA form which shall be at Cut-off Price. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA form shall be considered as the Application Form. Upon completing and submitting the ASBA form to the Designated Branch of the SCSB, the ASBA Bidder is deemed to have authorized the Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

Who can Bid?

In accordance with the SEBI Guidelines, only Resident Retail Individual Investor can submit their application through ASBA process to bid for the Equity Shares of the Company.

Maximum and Minimum Bid Size for ASBA Bidders

The ASBA Bid must be for a minimum of 70 Equity Shares and in multiples of 70 Equity Shares thereafter. The ASBA Bidder should ensure that maximum amount blocked in respect of the ASBA Bidder does not exceed Rs. 1,00,000/-. The ASBA Bidders shall bid only at the Cut-off Price indicating their agreement to Bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

Information for the ASBA Bidders:

- The BRLMs shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA form to the SCSB's and the SCSB's will then make available such copies to investors applying under the ASBA process. Additionally, the BRLM shall ensure that the SCSB's are provided with soft copies of the abridged prospectus and the ASBA form and that the same are made available on the websites of the SCSB's
- ASBA Bidders, under the ASBA process, who would like to obtain the Red Herring Prospectus and/or the ASBA form can obtain the same from the Designated Branches of the SCSB's, or the BRLMs. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA form in electronic form on the websites of the SCSB's.
- The Bids should be submitted on the prescribed ASBA form if applied in physical mode. SCSB's may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors.
- ASBA forms should bear the stamp of the Syndicate Member and/or Designated Branch of the SCSB.
- ASBA Bidders shall bid for Equity Shares only at the Cut-off Price, with a single bid option as to the number of Equity Shares.
- ASBA Bidders shall correctly mention the bank account number in the ASBA form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA form to the respective Designated Branch.
- If the ASBA Account holder is different from the ASBA Bidder, the ASBA form should be signed by the account holder as provided in the ASBA form.
- ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA form.
- ASBA Bidders shall not be allowed to revise their Bid and shall not bid under any reserved category.

List of Self Certified Syndicate Banks under the ASBA process

Investors desirous of applying through ASBA process may submit their ASBAs to the SCSBs mentioned herein below.

List of SCSBs as on August 4, 2009 are :

Corporation Bank, Union Bank of India, HDFC Bank Ltd., State Bank of India, ICICI Bank Ltd., IDBI Bank Ltd., Axis Bank Ltd., Kotak Mahindra Bank Ltd., State Bank of Bikaner and Jaipur, Bank of Baroda, Punjab National Bank, YES BANK Ltd., Citibank, Bank of India, State Bank of Hyderabad, HSBC Ltd., Vijaya Bank, State Bank of Travancore, Bank of Maharashtra and Andhra Bank

Link: <http://www.sebi.gov.in/pmd/scsb.html>

Method and Process of Bidding

- ASBA Bidders are required to submit their Bids, either in physical or electronic mode. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSB's. ASBA Bidders submitting their Bids in electronic form shall submit their Bids either using the internet enabled bidding and banking facility of the SCSB's or such other electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors, and accordingly registering such Bids. Every Designated Branch of the SCSB shall accept Bids from all such investors who hold accounts with them and desire to place Bids through them. Such SCSB's shall have the right to vet the Bids, subject to the terms of the SEBI Guidelines and Red Herring Prospectus.

- The Designated Branches of the SCSB's shall give an acknowledgment specifying the application number to the ASBA Bidders as a proof of acceptance of the ASBA form. Such acknowledgment does not in any manner guarantee that the Equity Shares bid for shall be allocated to the ASBA Bidders.
- Each ASBA form will give the ASBA Bidder only one option to bid for the Equity Shares at the Cut-off Price i.e. at the cap price of the Price Band and specify the demand (i.e. the number of Equity Shares bid for) in such option. After determination of the Issue Price, the number of Equity Shares bid for by the ASBA Bidder at the Cut-off Price will be considered for allocation along with the Non-ASBA Retail Bidders who have bid for Equity Shares at or above the Issue Price or at Cut-off Price.
- Upon receipt of the ASBA form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA form, prior to uploading such Bids with the Stock Exchanges.
- If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.
- If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA form. The Designated Branch shall thereafter enter the Bid details from the prescribed ASBA form, if submitted in physical mode, or the Bid information submitted through the electronic mode made available by the SCSBs, as the case may be, into the electronic bidding system of the Stock Exchanges and generate a Transaction Registration Slip (.TRS.). The TRS shall be furnished to the ASBA Bidder on request.
- An ASBA Bidder cannot bid, either in physical or electronic mode, on another ASBA form or a non-ASBA form after bidding on one ASBA form, either in physical or electronic mode, has been submitted to the Designated Branches of SCSBs or uploaded by the ASBA Bidder, as the case may be.
- Submission of a second ASBA form or a Non-ASBA form to either the same or to another Designated Branch of the SCSB will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the Allocation or Allotment of Equity Shares in this Issue.

ASBA Bidders are cautioned that Bids for Equity Shares made in the Issue through the ASBA form cannot be revised.

Mode of Payment

Upon submission of an ASBA form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the bank account maintained with the SCSB. Bid Amounts paid in cash, by money order or by postal order or by stockinvest, or ASBA form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted. After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Account, in terms of the SEBI Guidelines, into the ASBA Public Issue Account. The balance amount, if any against the said Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Bid Amount, as per the Bid cum Application Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts, whether in physical or electronic mode, until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Electronic registration of Bids by SCSB's

- In case of ASBA forms, whether in physical or electronic mode, the Designated Branch of the SCSBs will register the Bids using the online facilities of the Stock Exchanges. SCSB shall not upload any ASBA Application Form in the electronic bidding system of the Stock Exchange(s) unless it has

received the ASBA in a physical or electronic form; and it has blocked the application money in the ASBA account specified in the ASBA or has systems to ensure that Electronic ASBAs are accepted in the system only after blocking of application money in the relevant bank account opened with it.

- The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bid/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. ASBA Bidders are cautioned that high inflow of bids typically received on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that are not uploaded may not be considered for allocation.
- The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be displayed online on the websites of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available on the websites of the Stock Exchanges during the Bidding Period.
- At the time of registering each Bid, the Designated Branches of the SCSB's shall enter the information pertaining to the investor into the online system, including the following details:
 - Name of the Bidder(s);
 - Application Number;
 - Permanent Account Number;
 - Number of Equity Shares Bid for;
 - Depository Participant identification No.; and
 - Client identification No. of the Bidder's beneficiary account.
 - In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the above mentioned details in the electronic bidding system provided by the Stock Exchange(s).
- A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches of the SCSBs. The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Equity Shares bid for shall be allocated to the ASBA Bidders.
- Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- It is to be distinctly understood that the permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company, the BRLM or the Designated Branches of the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements; nor does it take any responsibility for the financial or other soundness of the Company, the management or any scheme or project of the Company.
- The SCSB may reject the ASBA Bid, if the ASBA Account maintained with the SCSB as mentioned in the ASBA form does not have sufficient funds equivalent to the Bid Amount. Subsequent to the acceptance of the Bid by the Designated Branch, the Company would have a right to reject the Bids only on technical grounds.
- Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. In case of discrepancy of data between the BSE or NSE and the Designated Branches of the SCSBs, the decision of the Registrar, based on the physical records of the ASBA forms shall be final and binding on all concerned.

Price Discovery and Allocation

After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process and which details are provided to them by the SCSBs with the Retail Individual Investor applied under the non ASBA process to determine the demand generated at different price levels.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by the Company in a widely circulated English national newspaper and a Hindi national newspaper of wide circulation and a regional language newspaper with wide circulation at the place where the registered office of the issuer is situated. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

- (a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches of the SCSB's, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue. Investors should note that the Company shall endeavour to ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue; and
- (b) The ASBA Bidders shall directly receive the CAN from the Registrar. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSB's shall transfer the requisite amount against each successful ASBA Bidder to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalisation of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Bid, as the case may be.

Allotment of Equity Shares

- (a) The Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the bank account of the ASBA Bidders to the ASBA Public Issue Account on the Designated Date, to the extent applicable, the Company would ensure the credit of the Allotted Equity Shares to the depository accounts of all successful ASBA Bidders' within two working days from the date of Allotment.
- (b) As per the SEBI Guidelines, Equity Shares will be issued, transferred and allotted only in the dematerialised form to the allottees. Allottees will have the option to re-materialise the Equity Shares so allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

GENERAL INSTRUCTIONS

Do's:

- a Check if you are a Resident Retail Individual Investor and eligible to Bid under ASBA process.
- b Ensure that you use the ASBA form specified for the purposes of ASBA process.
- c Read all the instructions carefully and complete the ASBA form.
- d Ensure that your Bid is at the Cut-off Price.
- e Ensure that you have mentioned only one Bid option with respect to the number of equity shares in the ASBA form
- f Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be allotted in dematerialised form only.
- g Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a

bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to the Company or Registrar or or BRLM.

- h Ensure that the ASBA form is signed by the account holder in case the applicant is not the account holder
- i Ensure that you have mentioned the correct bank account No. in the ASBA form.
- j Ensure that you have funds equal to the number of Equity Shares Bid for at Cut-off Price available in ASBA account maintained with the SCSB before submitting the ASBA form to the respective Designated Branch of the SCSB.
- k Ensure that you have correctly checked the authorisation box in the ASBA form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA form in your ASBA Account maintained with a branch of the concerned SCSB.
- l Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA form.
- m Ensure that you have mentioned your Permanent Account Number (PAN) allotted under the I.T. Act.
- n Ensure that the name(s) and PAN given in the ASBA form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA form.
- o Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

- a Do not submit an ASBA Bid if you are not a Resident Retail Individual Investor.
- b Do not submit an ASBA Bid if you are applying under any reserved category.
- c Do not revise your Bid.
- d Do not Bid for lower than the minimum Bid size.
- e Do not Bid on another ASBA or Non-ASBA form after you have submitted
- f Submit the Bid to a Designated Branch of the SCSB.
- g Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSB's, shall not be accepted under the ASBA process.
- h Do not send your physical ASBA form by post; instead submit the same to Designated Branch of the SCSB only.
- i Do not fill up the ASBA form such that the bid amount against the number of Equity Shares Bid for exceeds Rs. 1,00,000/-.
- j Do not mention the GIR number instead of the PAN Number.
- k Do not instruct your respective banks to release the funds blocked in the bank account under the ASBA process.

Bids by ASBA Bidders must be:

- Made only in the prescribed ASBA form, if submitted in physical mode, or electronic mode.
- In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

- Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA form.
- The Bids must be for a minimum of 70 Equity Shares and in multiples of 70 Equity Shares thereafter subject that the Bid Amount does not exceed Rs. 1,00,000/-.
- Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

ASBA Bidders depository account and bank details

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANTS NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER AND PAN IN THE ASBA FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME AND PAN GIVEN IN THE ASBA FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE ASBA FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE ASBA FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, PAN, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address, (.Demographic Details.). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants. By signing the ASBA form, the ASBA Bidder is deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. CAN/Allocation advice and letters intimating unblocking of bank account of the respective ASBA Bidder would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/Allocation advice or letters intimating unblocking of bank account may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSB's, the members of the Syndicate, or the Company shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected. ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be allotted in dematerialised form only.

Payment mechanism under ASBA

The ASBA Bidders shall specify the bank account number in the ASBA form and the SCSB shall block an amount equivalent to the application money in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount.

In the event of withdrawal or rejection of Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the Controlling Branch of the SCSB to unblock the application money in the relevant bank account. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

ASBA Bids under Power of Attorney

In case of ASBA Bids made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA form. Failing this, the Company, in consultation with and BRLM, reserves the right to reject such ASBA Bids. The Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA form, subject to such terms and conditions that the Company, in consultation with the BRLM may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

In case an ASBA Bidder wants to withdraw the ASBA form during the Bid/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account. In case an ASBA Bidder wants to withdraw the ASBA cum Application Form after the Bid Closing date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalization of the Basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB on finalization of the Basis of Allotment.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Right to Reject ASBA Bids

The Designated Branches of the SCSB's shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, the Company would have a right to reject the ASBA Bids only on technical grounds. Further, in case any DP ID, Client ID or PAN mentioned in the ASBA form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue

GROUND FOR TECHNICAL REJECTIONS UNDER THE ASBA PROCESS

1. In addition to the grounds listed under Grounds for Technical Rejection. on page no. 256 of this RHP, applications under the ASBA process are liable to be rejected on, *inter alia*, the following technical grounds:
2. Amount mentioned in the ASBA form does not tally with the amount payable for the value of Equity Shares Bid for;
3. Bids at a price other than at the Cut-off Price;
4. Bid made by categories of investors other than Resident Retail Individual Investors;
5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;
6. PAN not stated, or GIR number furnished instead of PAN. See 'Issue Procedure - PAN or GIR Number' on page no. 255;
7. Bids for number of Equity Shares, which are not in multiples of 70;
8. Authorisation for blocking funds in the ASBA Bidder's bank account not ticked or provided;
9. Multiple Bids as defined in this Red Herring Prospectus;
10. In case of Bid under power of attorney, relevant documents are not submitted;

11. Signature of sole and/or joint Bidders missing in case of ASBA forms submitted in physical mode;
12. ASBA form does not have the stamp of the SCSB and/or a member of the Syndicate;
13. ASBA form does not have the Bidder's depository account details;
14. ASBA form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA form and the Red Herring Prospectus;
15. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA form at the time of blocking such Bid Amount in the ASBA Account;
16. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), PAN, the DP ID and the beneficiary account number; and
17. If the ASBA Bid in the Issue is revised. Bidders are advised that ASBA Bids not uploaded in the electronic book of the Stock Exchanges, due to any of the grounds mentioned above, would be rejected.

COMMUNICATIONS

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First ASBA Bidder, ASBA form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA form, name and address of the Designated Branch of the SCSB where the ASBA Bid was submitted and bank account number in which the amount equivalent to the Bid amount was blocked. The Registrar to the Issue shall obtain the required information from the SCSB's for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or wilful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held. The Company, the BRLM, the Syndicate Members and the Registrar accept no responsibility for errors, omissions, commission or any acts of SCSB's including any defaults in complying with its obligations under applicable SEBI Guidelines.

ASBA Investors can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA form was submitted, or the Registrar to the Issue in case of any pre- or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked on application, bank account number and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Basis of Allotment

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The basis of allocation to such valid ASBA and non-ASBA Bidders will be that applicable to Retail Individual Bidders. For details, see section "Basis of Allotment" on page no. 257 of this RHP.

SECTION IX

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

(Adopted by Special Resolution passed at the Extra-Ordinary General Meeting of the Members of the Company held on 29-12-2006)

1. Save as reproduced herein the regulation contained in Table "A" in Schedule I to the Act Shall not apply to the Company.

INTERPRETATION

2. (1) In the interpretation of these Articles, unless repugnant to the subject or context:

"The Company" or "This Company" means "Globus Spirits Limited".
(Formerly Globus Agronics Limited)

"The Act" means "The Companies Act 1956" or any statutory modification or re-enactment therefore for the time being in force.

"Annual General Meeting" means a general meeting of the Members held in accordance with the provisions of Section 166 of the Act or any adjourned meeting thereof.

"Auditors" means and include those persons appointed as such for the time being by the Company or its Board.

"Board" or "Board of Directors" or "the Board" means the Board of 'Board of Directors for the time being of the Company'.

"Board Meeting" means a meeting of the Directors or a committee thereof duly called and constituted, or as the case may be, the Directors assembled at the Meeting of the Board of Directors of the Company collectively.

"Capital" means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.

"Debenture" includes debenture-stock.

"Dividend" includes interim dividend.

"Extraordinary General Meeting", means an extraordinary general of the Members duly called and constituted and any adjourned meeting thereof.

"Member" means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of Association of the Company.

"Meeting" or "General Meeting" means a meeting of members.

"Month" means a calendar month.

"Office" means the registered office for the time being of the Company.

A resolution shall be an ordinary resolution when at a general meeting of which the notice required under the Act has been duly given, the votes cast (whether on a show of hands, or on a poll as the case may be) in favour of the resolution (including the casting vote, if any, of the chairman) by members, who being entitled so to do, vote in person,

or where proxies are allowed, by proxy, exceed the votes, if any, cast against the resolution by members so entitled and voting.

"Paid-up" includes credited as paid-up.

"Persons" includes corporations and firms as well as individuals.

"Postal Ballot" shall mean voting by post through ballot papers distributed amongst eligible voters and shall include voting by electronic mode.

"Register of Members" means the Register of Members to be kept pursuant to the Act.

"Registrar" means the Registrar of Companies of the State in which the Registered Office of the Company is for the time being situated.

"Secretary" means any individual possessing the qualification prescribed for the time being by or under the Act or any rules made there under and appointed to perform the duties, which may be performed by Secretary under the Act, and any other ministerial or administrative duties.

"Seal" means the Common Seal for the time being of the Company.

"Share" means share in the share capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.

"Small Shareholder" means a shareholder holding shares of the nominal value of twenty thousand rupees or less.

A resolution shall be a special resolution when

- (a) the intention to propose the resolution as a special resolution has been duly specified in the notice convening the general meeting or other intimation given to the members of the resolution.
- (b) the notice required under the Act has been duly given of the general meeting; and
- (c) the votes cast in favour of the resolution whether on a show of hands, or on a poll as the case may be by members, who being entitled so to do, vote in person, or where proxies are allowed, by proxy, are not less than three times the number of the votes, if any, cast against the resolution by members so entitled.

"Written" and "In Writing" include printing, lithography, computer modes and other modes of representing or reproducing words in a visible form.

"Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(17) of the Act.

Words importing the singular number include, where the context admits or requires the plural number and vice versa.

Words importing the masculine gender also include the feminine gender.

- (2) The marginal notes used in these Articles shall not affect the construction or meaning of the subject.
- (3) Save as aforesaid, words or expressions, defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

3. The Authorized Share Capital of the company shall be the capital as specified in Clause V of the Memorandum of Association, with power to increase and reduce the Share Capital of the company and to divide the shares in the Capital for the time being into several classes as permissible in law and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for time being be provided in the Articles of Association.
4. The Company in General Meeting may, from time to time, increase the Capital by the creation of new Shares. Such increase to be of such aggregate amount and to be divided into such shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine, and in particular, such shares may be issued with a preferential or qualified right to dividends, or otherwise and in the distribution of assets of the Company, and with a right of voting at general meetings of the Company in conformity with Section 87 of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.
5. Except in so far as otherwise provided in the conditions of issue of shares by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
6. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue Preference Shares, which at or at the option of the Company are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.
7. On the issue of Redeemable Preference Shares under the provisions of Article 6 hereof, the following provisions shall take effect:
 - (a) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh Issue of shares made for the purpose of the redemption.
 - (b) no such shares shall be redeemed unless they are fully paid.
 - (c) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid up share capital of the Company.
8. The Company may (subject to the Provisions of Section 78, 80, 100 to capital 105 both inclusive, of the Act) from time to time by Special Resolution reduce its capital, any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorized by law, and in particular, capital may be paid off on the footing that it may be called upon again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.

9. Subject to the provisions of Section 94 of the Act, the Company in General Meeting may from time to time sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid, the Company in General Meeting may also cancel shares, which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
10. Whenever the Capital is divided into different classes of shares all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths of nominal value of the issued shares of the class or is confirmed by a Resolution passed at a separate General Meeting of the holders of shares of that class and supported by the votes of the holders of at least three-fourths of those shares, and all the provisions hereinafter contained as to General Meetings shall mutatis mutandis apply to every such Meeting, but so that the quorum thereof shall be members present in person or by proxy and holding three fourths of the nominal amount of the issued shares of the class. This Article is not to derogate from any power the Company would have if it were omitted.

SHARES AND CERTIFICATES

11. The Company shall cause to be kept a. Register and Index of Members in accordance with Sections 150 and 151 of the Act. The Company shall be entitled to keep in any State or country outside India a branch Register of Members resident in that State or country.
12. The shares in the Capital shall be numbered progressively according to their several denominations, and except in the manner herein before mentioned, no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
13. Where at the time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, either out of the un-issued capital or out of the increased share capital then
 - (a) such further shares-shall be offered to the persons who on the date of the offer, are holders of the equity shares of the Company, in proportion as near as circumstances admit, to the capital paid-up on those shares at the date.
 - (b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer and the offer, if not accepted, will be deemed to have been declined.
 - (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right. PROVIDED that the Directors may decline without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.
 - (d) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines

to accept the shares offered, the Board may dispose of them in such manner as they may think, in their sole discretion, deem fit.

1. Notwithstanding anything contained in the sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub clause (1) hereof) in any manner whatsoever.

(i) if a special resolution to that effect is passed by the company in general meeting; or

(ii) where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained -in the resolution, moved in the general meeting (including the casting vote, if any, of. the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes if any, cast against the proposal by members so entitled to voting and the Central Government is satisfied on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

2. Nothing in sub-clause (c) of (1) hereof shall be deemed;

(a) To extend the time within which the offer should be accepted; or

(b) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

3. Nothing in this article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debenture issued or loan raised by the company:

(i) To convert such debentures or loans into shares in the company; or

(ii) To subscribe for shares in the company (whether such option is conferred in these articles or otherwise)

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that government in this behalf ; and

(b) in the case of debentures or loans or other than debentures issued to or loans obtained from government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in general meeting before the issue of the debentures or raising of the loans.

14. Subject to the provisions of section 81 of the act and these Articles, the shares in the capital of the company for the time being shall be under the Directors controls of the directors who may issue, allot or otherwise dispose of the same or any of them such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 79 of the act) at discount and at such time as they may from time to time think fit and with the sanction of the company in the general meeting to give to any persons the option or right to call for any shares either at par or premium during such time and for such

Consideration as the directors think fit and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may, be issued as fully paid up shares and N so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any persons without the sanction of the company in the general meeting.

15. In addition to and without derogating from the powers for the purpose conferred on the Board under Articles 13 and 14, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at a discount as such General Meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company, either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a member or not) the option being exercisable at such times and for such consideration as may be directed by such General Meeting of the Company and the General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.

Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share shall be an acceptance of shares within the meaning of these Articles and every person who, does or otherwise accepts shares and whose name is on the Register shall for the purpose of these Articles, be a member.

16. The money (if any) which the Board shall, on the allotment of any share being made by them require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
17. Every member, or his heirs, executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.
18. Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the directors may from time to time determine) to several certificates each for one or more of such shares and the company shall complete and have ready for delivery of such certificates within 3 month from the date of allotment, unless the conditions of issue thereof otherwise provide or within 1 month of the receipt of application of registration of transfer, transmission, subdivision or consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be borne to issue more than one certificates and delivery of a certificate of shares to one of several joint holder shall be sufficient delivery to all such holders.
- 20 (a) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out or where the cages on the reverse for recording transfer have been duly utilized, unless the certificate in lieu of which it is issued surrendered to the Company.
- (b) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it or counterfoil to the effect that it is 'duplicate issued in lieu of share certificate No.....' The word 'Duplicate shall be stamped or punched in bold letter across the face of the share certificate.
- © If any certificate be worn out, defaced, mutilated or torn or if there be no production and surrender thereof to the company, a new certificate may be issued

in lieu thereof, to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificates under the article shall be issued without payment of fees if the directors so decide, or on payment of such fees (not exceeding Rs. 2 for each certificates) as the directors shall prescribe, provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced, worn out or where there is no further space on the back thereof for endorsement of transfer.

- (d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it or counterfoil to effect that it is 'duplicate issued in lieu of share certificate'. The word 'Duplicate shall be stamped or punched in bold letter across the face of the share certificate.
- (e) When a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in Register of Renewed and Duplicate Certificate indicating against the name of the persons whom the certificate is issued, the number and date of issued, and the necessary changes indicated in the Register of Members by suitable cross in the 'Remark ' column.
- (f) All bank form to be issued for issue of share certificates shall be printed and printing shall be done only on the authority of a resolution of the board. The blank forms shall be done only on the authority of a resolution of resolution of the Board. The blank forms shall be consecutively machine numbered and the from and the blocks, engraving, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or such other person as the Board may appoint for the purpose; and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (g) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of the share certificates referred to in sub Article (f).
- (h) All books referred to in sub article (g) shall be preserved in good order permanently.
- (i) Provided that notwithstanding what is stated above the directors shall comply with such rules or regulations or requirement of any stock exchange or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or the rules applicable in this behalf.
- (j) The provision of this act shall mutates mutandis apply to the debentures of the company.

The provision of this act shall mutatis mutandis apply to the debentures of the company.

- 21. If any share stands in the names of two or more persons, the person first named in the register shall, as regards receipt of dividends or bonus or service of notice and all or any other matter connected with the Company, except voting at meetings, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such shares for all incidents thereof according to the Company's regulations.
- 22. Except as ordered by a Court of competent jurisdiction, or as by law required, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share, or (except provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof; but the Board shall be at liberty at their sole discretion

to register any share in the joint names of any two or more persons or the survivor or survivors of them.

23. The Company shall have power, subject to and in accordance with all the applicable provisions of the Act and the rules made there under, to purchase any of its own fully paid shares or other specified securities whether or not they are redeemable and may make a payment out of its free reserves or securities premium account of the Company or proceeds of any shares or other specified securities provided that no buy back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities or from such other sources as may be permitted by Law on such terms, conditions and in such manner as may be prescribed by the Law from time to time in respect of such purchase.
- 23 A. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on the condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing allotment of share, attending (not voting) at the general meeting, appointment of directors and otherwise debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the general meeting by a special resolution.

UNDERWRITING AND BROKERAGE

24. Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company, but so that the commission shall not exceed in the case of shares, five per cent of the price at which the shares are issued, and in the case of debentures, two and a half per cent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly "in one way and partly in the other.
25. The Company may pay a reasonable sum for brokerage.

INTEREST OUT OF CAPITAL

26. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant.

CALLS

27. (a) The Board may, from time to time and subject to the terms on which any shares have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by instalments.
- (b) That option or right to call of shares shall not be given to any person except with the sanction of the issuer in general meetings.
28. Fifteen days notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.
29. A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board

30. A call may be revoked or postponed at the discretion of the Board.
- 30A. The option or right to call of shares not be given to any person except with the sanction of the company in general meeting.
31. The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
32. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a member of grace and favour.
33. If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest of the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.
34. Any sum, which may by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable, on the date on which by the terms of issue the same becomes payable and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.
35. On the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member, in respect of whose shares, the money is sought to be recovered appears entered on the Register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered, is alleged to have become due on the shares in respect of such money is sought to be recovered; that the resolution making the call is duly recorded in the Minute Book; and that notice of such call was duly given to the member or his representatives used in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made duly convened or constituted nor any other matters whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.
36. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
37. The directors may, if they think fit, subject to the provisions of section 92 of the act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually paid for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the company pay interest at such rate, as the member paying such sum in advance and the directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The directors may at any time repay the amount so advanced.

The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

LIEN

38. The Company shall have a first and paramount lien upon all the shares / debentures (other than fully paid-up shares / debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any shares shall be created except upon the footing, and upon the condition that Article 22 hereof is to have full effect. Any such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The directors may at any time declare any shares wholly or in part to be exempt from the provision of this clause.
39. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorize one of their member to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell, shall have been served on such member or his representatives and default shall have been made by him or them in payment, fulfilment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.
40. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale.

FORFEITURE OF SHARE

41. If any member fails to pay any call or instalment on or before the day appointed for the payment of the same the Board may at any time thereafter during such time as the call or instalment remains unpaid, serve notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non payment.
42. The notice shall name a day (not being less than thirty days from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time, and at the place appointed the shares in respect of which such call was made or instalment is payable will be liable to be forfeited.
43. If the requisitions of any such notice as aforesaid be not complied with, any shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or instalments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares -and not actually paid before the forfeiture.
44. When any shares shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated, by any omission or neglect to give such notice or to make any such entry as aforesaid.
45. Any share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re allot or otherwise dispose of the same in such manner as think fit.

46. The Board may, at anytime before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
47. A person whose share has been forfeited shall cease to be a member in respect of the forfeited share, but shall notwithstanding, remain liable to pay, and shall forthwith pay to the Company, all calls, or instalment, interest and expenses, owing in respect of such share at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment thereof, to any party thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.
48. The forfeiture of a share involve extinction, at the time of the forfeiture, of all interest and all claims and demands against the Company in respect of the share and all other rights, incidental to the share except only such of those rights as by these Articles are expressly saved.
49. A duly verified declaration in writing that the declarant is a Director of the Company, and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title to such shares; and the person to whom any such share is sold shall be registered as the member in respect of such share and shall not be bound to see to the application of the purchase money, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.
50. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors, shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons, entitled thereto.

TRANSFER AND TRANSMISSION OF SHARES

51. The Company shall keep a book to be called the "Register of Transfers", and therein shall be fairly and directly entered particulars of every transfer or transmission of any share.
52. The instrument of transfer shall be in writing and all provision of section 108 of the companies Act, 1956 and statutory modification there of for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
53. Every such instrument of transfer shall be executed both by transferor and the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The Board shall not issue or register a transfer of any share in favour of a minor (except in cases when they are fully paid up).
- 53A The company shall use common form of transfers.
54. The Board shall have power on giving seven days' previous notice by advertisement in some newspaper circulating in the district in which the Office of the Company is situated to close the transfer books, the Register of Members or Register of Debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may deem expedient,
55. Subject to the provision of section 111 of the act and section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the company

but in such cases, the director shall within 1 (One) month from the date on which the instrument of transfer was lodged with the company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not, be refused on the ground of the transferor being either alone or jointly with any other person indebted to the company on any account whatsoever except when the company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused.

56. Every holder of shares in, or Debentures of the Company may at any time nominate, in the manner prescribed under the Act, a person to whom his Shares in or Debentures of the Company shall vest in the event of death of such holder.

Where the Shares in, or Debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the Shares or Debentures of the Company, as the case may be, held by them shall-vest in the event of death of all joint holders.

Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such Shares in or Debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Shares in, or Debentures of the Company, the nominee shall, on the death of the Shareholders or holder of Debentures of the Company or, as the case may be, on the death of all the joint holders become entitled to all the rights in the Shares or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act.

Where the nominee is a minor, it shall be lawful for the holder of the Shares or holder of Debentures to make the nomination to appoint, in the prescribed manner under the provisions of the Act, any person to become entitled to the Shares in or Debentures of the Company, in the event of his death, during the minority.

57. Any person who becomes a nominee by virtue of the provision of the above Article, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either:

(a) to be registered himself as holder of the shares or debentures, as the case may be; or

(b) to make such transfer of the shares or debentures, as the case may be, as the deceased shareholder or debenture holder, as the case may be, could have made.

If the nominee, so becoming entitled, elects himself to be registered as holder of the Shares or Debentures, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or debenture holder and the certificate (s) of Shares or Debentures, as the case may be, held by the deceased in the Company.

Subject to the provisions of Section 109B(3) of the Act and these Articles, the Board may register the relevant Shares or Debentures In the name of the nominee of the transferee as if the death of the registered holder of the Shares or Debentures had not occurred and the notice or transfer were a transfer signed by that shareholder or debenture holder, as the case may be.

A nominee on becoming entitled to Shares or Debentures by reason of the death of the holder or joint holders shall be entitled to the same dividend and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture, except that he shall not before being registered as holder of such Shares or Debentures, be entitled in respect of them to exercise any right conferred on a member or Debenture holder in relation to meetings of the Company.

The Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Shares or Debentures, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses, interest or other moneys payable or rights accrued or accruing in respect of the relevant Shares or Debentures, until the requirements of the notice have been complied with.

58. No share shall in any circumstances be transferred to any insolvent or persons of unsound mind.
59. Subject to the provisions of articles 56 and 57, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member, or the marriage of a female member, or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board of Directors (which it shall not be under any obligation to give) upon producing such evidence that he sustains the character in respects of which he proposes to act under this article of his title, as the holder of the shares or elect to have some person nominated by him and approved by the Board of Directors, registered as such holder, provided nevertheless, that if such person shall elect to have his nominee registered he shall testify the election by executing to his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares. This Article is referred to in these Articles as the Transmission Article.
60. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive and may give discharge for any dividends or other moneys payable in respect of the share.
61. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the Board of Directors shall from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors.
62. For the purpose of the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (same as provided in Section 108 of the Act) a properly stamped and executed instrument of transfer.
63. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, Power of attorney or similar other document.
64. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the Prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or deferred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board of Directors shall so think fit.

DEMATERIALISATION OF SECURITIES

64A. The provisions of this Article shall apply notwithstanding anything to the contrary contained in, any other Articles.

1. For the purpose of this Article:

'Beneficial Owner means a person or persons whose name is recorded as such with a depository, 'SEBI' means the Securities & Exchange Board of India; established under Section 3 of the Securities & Exchange Board of India Act, 1992 and

'Depository' means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as depository under Securities & Exchange Board of India Act, 1992; and wherein the securities of the Company are dealt with in accordance with the provisions of the Depositories Act, 1996.

2. The Company shall be entitled to dematerialize securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.

3. Every holder of or subscriber to securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates for the Securities.

If a person opts to hold his Securities with the depository, the Company shall intimate such depository the details of allotment of the Securities, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the Securities.

4. All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by on behalf of the beneficial owners.

5. (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities of the Company on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(c) Every person holding securities of the Company and whose name is entered as the beneficial owner of securities in the record of the depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities, which are held by a depository and shall be deemed to be a Member of the Company.

6. Notwithstanding anything contained in the Act or these Articles to the contrary, where securities of the Company are held in a depository, the records of the beneficiary ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

7. Nothing contained in Section 108 of the Act or these Articles, shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

8. Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

9. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

10. The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

65. Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Board to every Member at his request within fifteen days of the request on payment of Re. 1/- for each copy.

BORROWING POWERS

66. The Board may, from time to time, at its discretion subject to the provisions of Section 292 of the Act, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company; provided that the Board shall not without the sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose.
67. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by the issue of bonds, perpetual or redeemable, debentures or debenture-stock, or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company (both present and future] including its uncalled capital for the time being.
68. Any debentures, debenture-stock, bonds other securities may be issued at a discount and otherwise debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. Debentures, debenture-stock, bonds or other securities with a right of conversion into or allotment of shares shall be issued only with sanction of the Company in General Meeting.
69. Save as provided in Section 108 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.
70. If the Board refuses to register the transfer of any debentures, the Company shall, within one month from the date on which the instrument of transfer was lodged with the company, send to the transferee and to the transferor the notice of such refusal.
71. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures, and charges specifically affecting the property of the Company, and shall cause the requirements of Sections 118 and 125 and 127 to 144, both inclusive of the Act in that behalf to be duly complied with, so far as they are ought to be complied with by the Board.
72. The Company shall, if at any time it issues debentures, keep Register and Index of Debenture holders in accordance with Section. 152 of the Act. The Company shall have the power to keep in any State or Country outside India a Branch Register of Debenture-holders, resident in that State or Country.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

73. The Company in General Meeting may convert any paid-up shares into stock; and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations as, and subject to which the shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may at any time re-convert any stock into paid-up shares of any denomination.

74. The holders of stock shall, according to the amount of stock held by them have the same rights, privileges and. advantages as regards dividends and voting at the meetings of the Company, and other matters as if they held the shares from which the stock arose; but no such privileges or advantages (except participation in the dividends and profits of the Company and in the assets of winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

MEETING OF MEMBERS

75. General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meeting shall be Extraordinary General Meetings. The first Annual General Meeting shall be held within eighteen months from the date of incorporation of the company and the next Annual General Meeting shall be held within six months after the expiry of the financial year in which the first Annual General Meeting was held and thereafter an Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(l) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for on a time during business hours, on a day that is not a public holiday, and shall be held in' the office of the company or at some other place within the city in which the office of the Company is situated as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall be entitled to attend and to be heard at any General Meeting which he attends on any part of the business, concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report (if not already attached in the Audited statement of Accounts) the proxy Register with proxies and the Register of Directors' Share holdings of which latter Register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the Annual List of Members, summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.

76. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made.

77. Any valid requisition so made by members must state the object or objects of the meeting proposed to be called and must be signed by the requisitionists and be deposited at the office provided that such requisition may consist of several documents in file form each signed by one or more requisitionists.

78. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty one days from the date of the requisition being deposited at the office to cause a meeting to be called on a day not later than forty-five days from default requisitionists the date of deposit of the requisition, the requisitionists, or such of their may do so number as, represents either a majority In value of the paid-up share capital of the Company as is referred to in Section 169(4) of the Act, which ever is less, may themselves call the meeting, bid in either case, any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

79. Any meeting called under the foregoing Articles by the requisitionists shall Meeting called by be called in the same manner, as neatly as possible, as that in which requisitionist meetings are to be called by the Board.

80. Twenty-one days' notice at least of every General Meeting, Annual or Extraordinary and by whosoever called, specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat, shall be given in the manner, hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company. Provided

that in the case of an Annual General Meeting with the consent in writing of all the members entitled to vote thereat and in the case of any other meeting, with the consent of members holding not less than 95 percent of such part of the paid up share capital of the Company as gives a right to vote at the meeting any be convened by a shorter notice. In the case of an Annual General Meeting, I any business other than (I) the consideration of the Accounts, Balance Sheets and Reports of the Board of Directors and Auditors (ii) the declaration of dividend, (III) the appointment of Directors in place of those retiring (iv) the appointment of and f 1xing of remuneration of the Auditors, is proposed to be transacted then in that event there shall be annexed to the notice of the Meeting a statement setting out all materials facts concerning each such item of business including, in particular, the nature of concern or interest, if any, therein of every director, and the Manager (if any). Where any such item of special business relates to or affects any other Company, the extent of shareholding interest in other company of every Director and the Manager, if any, of the Company shall also be set out in the Statement if the extent of such share holding interest is not less than 20 percent of the paid-up share capital of that other company, where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

81. The accidental omission to give any such notice as aforesaid to any of the members, or the non receipt thereof, shall not invalidate the holding of the meeting or any resolution passed at any such meeting.
82. No General Meeting, Annual or Extra-ordinary, shall be competent to enter Meeting not to transact upon, discuss or transact any business which has not been mentioned in business not the notice or notices upon which it was convened.
83. Five members present in person shall be quorum for a General Meeting.
84. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.
85. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting, if convened by or upon the requisition of members shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or, if that day is a public holiday, until the next succeeding day which is not a. public holiday, at the same time and place, or to such other day and at such other time and place in the city or town in which the office of the Company is for the time being situate as the Board may determine and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be quorum and may transact the business for which the meeting was called.
86. The Chairman (if any) of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Board, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting, or if he shall be unable or unwilling to take the Chair, then the directors present may choose one of their member to be the Chairman of the meeting. If no director were present or if all the directors present decline to take the chair, then the Members present shall elect one of their member to be Chairman.
87. No business shall be discussed at any General Meeting except the election of a Chairman, while the chair is vacant.
88. The Chairman with the consent of the members may adjourn any meeting from time to time and from place to place in the city in which it is held but, no business shall be transacted at any adjourned meeting other than the business, left unfinished at the meeting from which the adjournment took place.
89. At any General Meeting a resolution put to vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least five members having the right to vote on the resolution and present in person or by proxy, or by the Chairman of the Meeting or by any member or members holding not less than one-tenth of the total voting power in respect of the

resolution or by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid-up on all the shares conferring that right, and unless a poll is demanded, a declaration by the Chairman that a resolution has on a show of hands, been carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against the resolution.

90. In the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a member.
91. If a poll is demanded as aforesaid, the same shall, subject to Article 89 Poll if be taken if be taken at such time (not later than forty-eight hours from the time when demanded the demand was made) and place in the city or town in which the Office of the Company is for the time being situate and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
92. Where a poll is to be taken, the Chairman of the meeting shall appoint two Scrutinizer at poll Scrutinizers to scrutinize the vote given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting provided such member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a Scrutinizer from office and fill vacancies in the office of Scrutinizer from such removal or from any other cause.
93. Any poll duly demanded on the election of Chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith.
94. The demand for a poll except on the questions of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTE OF MEMBERS

95. No member shall be entitled to vote either personally or by proxy, at any Members In General Meeting or Meeting of a class of shareholders, either upon a show arrears not to of hands or upon a poll in respect of any shares registered in his name on vote which any calls or other sums presently payable by him have not been paid or, in regard to which the, Company has, and has exercised any right of lien.
96. Subject to the provisions of these Articles and without prejudice to any Number of vote special privileges or restrictions as to voting for the time being attached to which a person entitled any class of shares for the time being forming part of the Capital of the company, every member not disqualified by the last preceding Article shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting rights of every member present in person or by proxy shall be in proportion to his shares of the paid-up equity share capital of the Company. Provided, however, if any preference share-holder be present at any meeting of the Company, save as provided in clause (b) of subsection (2) of Section 87, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.
97. On a poll taken at meeting of the Company a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he used or may abstain from voting.
98. A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy may vote whether on a show of hands or on a poll, by his

committee or other legal guardian; and any such committee or guardian may, on poll vote by proxy, if any member be a minor, the vote in respect of his share or shares shall be by his guardian, or any of his guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting.

99. If there be joint holders of any shares, anyone of such person may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto by the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member In whose name shares stand shall for the purpose of these Articles to be deemed joint holders thereof.

100. Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act, and such representative shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) on behalf of the body corporate which he represents as the body could exercise if it were an individual member.

101. Any person entitled under Article 60, to transfer any share may vote at any General Meeting in respect thereof in the same manner, as if he were the registered holder of such shares, provided that forty eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

102. Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, or be signed by an officer or any attorney duly authorised by it, and any Committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meeting.

103. An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint. for the purpose of every meeting of the Company, or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

104. A member present by proxy shall be entitled to vote only on a poll.

105. The instrument appointing a proxy and the power of attorney or other Deposit of authority (if any) under which it is signed or a notary certified copy of Instrument of appointment that power or authority shall be deposited at the office not later than forty eight hours before the time for holding the meeting at which the person named In the Instrument proposes to vote, and In default the Instrument of proxy shall not be treated as valid. No Instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

106. Every instrument of proxy whether for a specified meeting or otherwise shall, Form of proxy as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.

107. A vote given in accordance with the terms of an instrument of proxy shall Validity of votes given by proxy be valid notwithstanding the previous death or Insanity of the principal, or notwithstanding revocation of the proxy of any power of attorney under which such proxy death of member was signed, or the transfer of the share in respect of which the vote is given, provided that no Intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting.

108. No objection shall be made to the validity of any vote, except at any Time for objection meeting or poll, at which such vote shall be tendered, and every vote of votes whether given

personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

108A. Notwithstanding any thing contained in the foregoing, the company shall transact such business, as may be specified by the Central Government, resolution by postal ballot from time to time, through the means of postal ballot. In case of resolutions to be passed by postal ballot, no meeting need to be held at a specified time and space requiring physical presence of members to form a quorum. Where a resolution will be passed by postal ballot the company shall, in addition to the requirements of giving requisite clear days notice, send to all the members the following:

i) Draft resolution and relevant explanatory statement clearly explaining the reasons thereof.

- ii) Postal ballot for giving assent or dissent, in writing by members: and
- iii) Postage prepaid envelope (by Registered Post) for communicating assents or dissents on the postal ballot to the company with a request to the members to send their communications within 30 days from the date of dispatch of Notice.

The Company shall also follow such procedure, for conducting vote by postal ballot and for ascertaining the assent or dissent, as may be prescribed by the Act and the relevant Rules made there under.

109. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

110. (1) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
- (2) Each page at every such book shall be initiated or signed and the last page of the record of proceedings of such meeting in such books shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or liability of that Chairman- within that period, by a Director duly authorised by the Board for the purpose.
- (3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (5) All appointments of Officers made at any meeting aforesaid shall be included in the minutes of the meetings.
- (6) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting
- (a) is or could reasonably be regarded, as, defamatory of any person or
 - (b) is irrelevant or immaterial to the proceeding, or
 - (c) is detrimental to the interest of the Company.

The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

- (7) Any such minutes shall be evidence of the proceedings recorded therein.

- (8) The book containing the minutes of proceedings of General Meetings shall be kept at the office of the Company and shall be open during business hours for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any member without charge.

DIRECTORS

111. 1. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three nor more than fifteen.

2. The first Directors of the Company were the following:

- i) Mr. Gautam Khandelwal
- ii) Mr. Ashok Kumar
- iii) Mr. Sukhbir Singh Arya
- iv) Mr. Rajat Sangal

112. If at any time the Company obtains any loan or any assistance in connection Power to appoint there with by way of guarantee or otherwise from any person, firm, body exofficio directors corporate, local authority or public body (hereinafter called "the institution") or if at any time the Company issues any shares, debentures and enters into any contract or arrangement with the institution, whereby the institution subscribes for or underwrites the issue of the Company's shares or debentures or provides any assistance to the Company in any manner and it is a term of the relative loan, assistance, contract or agreement that the institution shall have the right to appoint one or more directors to the Board of the Company, then subject to the provisions of Section 225 of the Act and subject to the terms and conditions of such loan, assistance, contract or arrangement, the institution shall be entitled to appoint one or more director or Directors, as the case may be, to the Board of the Company and to remove from office any director so appointed and to appoint another in his place or in the place of Director so appointed who resigns or otherwise vacates his office, Any such appointment or removal shall be made in writing and shall be served at the office of the Company The director or directors so appointed shall neither be required to hold any qualification share nor be liable to retire by rotation and shall continue in the office for so long as the relative loan, assistance, contract or arrangement, as the case may be, subsists.

113. If it is provided by the Trust Deed, securing or otherwise in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debenture, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director maybe appointed in his place. A Debenture Director shall not be allowed to hold any qualification share.

113A. If the Company at any time have a minimum paid up capital of Rupees Five Crore or such sum as may be prescribed and at least one thousand or more small shareholders, then the company may, suo motto or upon requisition of not less than one tenth of the total number of small shareholders, proceed to appoint a nominee from amongst small shareholders as a Director of the Company. The small 'shareholders' director shall before his appointment, file his consent, to act as a Director, in writing to the Company and the tenure of such appointment shall be three years at a time without retirement by rotation, but shall be eligible for reappointment for another tenure. He shall, however, not be appointed as Managing Director or Whole Time Director under any circumstances and shall be subject to same disqualifications and shall vacate his office on the same grounds as are applicable to other Directors, in pursuance of these Articles. The company shall follow such Rules as may be prescribed by the Central Government in this behalf.

No small shareholders' director appointed in accordance with the provisions of this Article shall hold office at the same time as "small shareholders' director' in more than two companies.

114. The Board may appoint an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from

the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original director in whose place he has been appointed and shall vacate the office of the Original Director when he returns to that State. If the terms of office of the Original Director are determined before he so returns to that state, any provisions in the Act or in these Articles for the automatic reappointment of any retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

115. Subject to the provisions of Sections 260 and 264 of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be an Additional Director, but so that the total number of Directors shall not at any time exceed the maximum 12 fixed under the Article 111. Any such Additional Director shall hold office only up to the date of the next Annual General Meeting.

116. Until otherwise determined by the Company in General Meeting, a Director shall not be required to hold any shares in the capital of the Company as his qualification

117. Without prejudice to the restrictions imposed by Section 226 of the Act, a Director who is required to hold qualification shares may act as a Director before acquiring such shares but shall, if he is not already qualified, obtain his qualification, and every Director other than a Director appointed by the Central or a State Government shall file with the Company a, declaration specifying the qualification shares held by him within two months from his appointment as a director.

118. Subject to the provisions of Section 262, 264 and 284(6) of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office if it had not been vacated by him.

119. (1) Subject to the provisions of the Act, a Managing Director, or Managing Remuneration of Directors or Director who is/are in the whole-time employment of the Directors Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

(2) Subject to the provisions of the Act, a Director who is neither in the whole-time employment nor a Managing Director, may be paid remuneration either.

(i) by way of monthly, quarterly or annual payment with the approval of the Central Government, or

(ii) by way of commission if the Company by a special resolution authorised such payment.

(3) The fees payable to a Director (including a Managing or whole-time Director, if any), for attending a Meeting of the Board or Committee thereof may be in accordance with and subject to the provisions of Section 309 of the Act or such other sum as the Company in General Meeting may from time-to time determine.

120. The Board may allow any pay to any director who is not a bonafide resident Reimbursement of the place where the meetings of the Board are ordinarily held and who of expenses to Directors for shall come to such place for the purpose of attending any meeting, such attending meeting sum as the Board may consider fair compensation for traveling, boarding, of the Board lodging and other expenses, in addition to his fee for attending such meeting as above specified; and if any Director be called upon to go or resided out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any traveling or other expenses incurred in connection with business of the Company.

121. The continuing Directors may act notwithstanding any vacancy in their body Directors may but it, and so long as their number is reduced below the minimum number act

notwithstanding fixed by the Article 111 hereof, the continuing Directors not being less than any vacancies three, may act for the purpose of increasing the number of directors to that number or for summoning a General Meeting but for no other purpose.

122. (1) The office of a Director shall ipso facto be vacated if: -

he fails to obtain within the time specified in sub-section (1) of Section 270 of the Act, or at any time thereafter ceases to hold, the share qualification, if any necessary for his appointment; or

- (a) he is found to be of unsound mind by a Court of competent jurisdiction; or
- (b) he applies to be adjudicated an insolvent;
- (c) or he is adjudged insolvent; or
- (d) he is convicted by a Court in India of any offence and is sentenced in respect thereof to imprisonment for not less than six month or
- (e) he fails to pay any call in respect of shares of the Company by him, whether alone or jointly with others, within six month from the last date fixed for the payment of the call; or
- (f) he absents from three consecutive meetings of the Board or from all meetings of the Board for a continuous period of three months whichever is the longer, without obtaining leave of absence from the Board; or
- (g) he or any firm of which he is a partner or any private company of which he is a director, accepts a loan, or any guarantee, security for a loan, from the Company in contravention of Section 295 of the Act; or
- (h) he acts in contravention of Section 299 of the Act; or

he has been removed from office in pursuance of Section 203 c the Act; or

by notice in writing to the Company that he resigns his office; or

any office or place of profit under the Company or under an) subsidiary of the Company is held in contravention of Section 314 of the Act and by operation of that Section he is deemed to vacate the office.

(2) Notwithstanding any matter or thing in sub-clauses (d), (e) and 0) of clause (1), the disqualification referred to in those sub-clauses shall not take effect

- (a) for thirty days from the date of adjudication sentence or order; or
- (b) where an appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence, or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or
- (c) where within the seven days aforesaid any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification until such further appeal or petition is disposed of.

123. (1) A Director or his relative, a firm in which such Director or relative is a partner, or any other partner in such firm or a private company of which the Director is a member or a private company of which the Company is a member or director, may enter Into any contract with Company for the sale, purchase or supply of any goods, materials, or services or for underwriting the subscription of any shares in, or debentures of the Company, provided that the sanction of the Board is obtained before or within three months of the date on which the contract is entered into in accordance with Section 297 of the Act

(2) No sanction shall, however, be necessary for

- (a) any purchase of goods and materials from the Company, or the sale of the goods or materials to the Company, by any such director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or
- (b) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other side for sale, purchase or supply of any goods, materials and services in which either the Company or the director, relative, firm, partner or private company, as the case may be, regularly trades or does business, where the value of the goods and materials or the cost of such services does not exceed Rs. 5,000/(Rupees Five Thousand only) in the aggregate in any year comprised in the period of the contract or contracts.

Provided that in the circumstances of urgent necessity, a Director, relative, firm, partner or private company as aforesaid may without obtaining the consent of the Board enter into any such contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or the cost of such services exceeds Rs. 5,000/- (Rupees Five Thousand only) in the aggregate in any year comprised in the period of the contract and the consent of the Board shall be obtained to such contract or contracts at a meeting within three months of the date on which the contract was entered into.

124. A director of the Company who is in any way, whether directly or indirectly Disclosure of concerned or interested in a contract or proposed contract or arrangement interest entered into or to be entered into by or on behalf of the company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299(2) of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other company where any of the Directors of the Company either himself or along with his relatives holds or hold two per cent of the paid-up share capital in any such other company.

125. A General Notice given to the Board by the Directors, to the effect that he General notice of is a director or member of a specified body corporate or is a member of a interest specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired of such general notice and no renewal thereof, shall be of effect unless it is given at a meeting the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given

126. No director shall as Director take any part in the discussion of, or vote on any contract or arrangement entered into by or on behalf of the Company if he is in any way whether directly or indirectly concerned or interested such contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however, that nothing here! contained shall apply to:

(a) any contract of indemnity against any loss that the Directors or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company.

(b) any contract or arrangement entered Into or to be entered into with, public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely:

(i) in his being:

- (a) a director in such company, and
- (b) the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company

or

- (ii) in his being a member holding

not more than 2% of its paid-up, share capital.

127. The Company shall keep a Register in accordance with Section 301(I) - and shall within the time specified in section 301 (2) enter therein such of the particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act as the case may be. The Register aforesaid shall also specify, in relation to each Director of the Company & the names of the bodies corporate and firms of which notice has been given by him under Article 125. The Register shall be kept at the office of the company and shall be open to inspection at such office, and extracts may be taken there from and copies thereof in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provision of Section 163 of the Act shall apply accordingly.

128. A Director may be or become a director of any company promoted by the Company or "in which it may be interested as a vendor, shareholder, or otherwise, and no such director shall be accountable for any benefits received as director or shareholder of such company except in so far as Section 209(6) or Section 314 of the Act may" be applicable.

129. At every Annual General Meeting of the Company, one-third if such of the Directors for the time being as are liable to retire by rotation or if there, number is not three or a multiple of three, the number nearest to one-third shall retire from office.

130. Subject to Section 256(2) of the Act, the Directors to retire by rotation under Article 129 at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but, as between persons who became -directors on the same day, those who are to retire, shall, in default of, and subject to any agreement among themselves, be determined by lot.

131. A retiring Director shall be eligible for re-election.

132. Subject to Sections 258 and 259 of the Act, the Company at the General Meeting at which a Director retires in manner aforesaid may fill up the vacated off ice by electing a person thereto.

133. (a) If the place of the retiring Director is not so filled up and the meeting Provisions for has not expressly, resolved not to fill the vacancy, the meeting shall default of appointment stand adjourned until the same day in the next week, at the same time and place.

(b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be so deemed to have been reappointed at the adjourned meeting, unless:

- (i) at that meeting or at the previous meeting the resolution for the reappointment of such Director has been put to the meting and lost;
- (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board expressed his unwillingness to be so reappointed;
- (ii) he is not qualified or is disqualified for appointment;

- (iv) a resolution whether special or ordinary, is required for the appointment or reappointment by virtue of any provisions of the Act; or
- (v) the provision to sub-section (2) of Section 263 of the Act is applicable to the case.

134. Subject to Section 259 of the Act, the Company may, by Ordinary Company may Resolution, from time to time, increase or reduce the number of directors, Increase or reduce the and may after their qualifications the Company (subject to the provisions number of Section 284 of the Act) remove any Director before the expiration of his directors period of office and appoint another qualified person in his seat. The person so appointed shall hold Office during such time as the director in whose place he is appointed would have held the same if he had not been removed.

135. (1) No person not being a retiring Director, shall be eligible for appointment to the office of director at any General Meeting unless he or some member intending to propose him has, not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office.
- (2) Every person (other than a director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director, shall sign and file with the Company, the consent in writing to act as a Director, if appointed.
- (3) A person other than a Director reappointed after retirement by rotation of immediately on the expiry of his term of office, or an Additional or Alternate Director, or a person filling a casual vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or reappointed as an Additional or Alternate Director, immediately on the expiry of his term of office, shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.
136. (a) The Company shall keep at its office a Register containing the particulars of its Directors, Managers, Secretaries and other persons mentioned in Section 303 of the Act and shall otherwise comply with the provisions of the said Section in all respects.
- (b) The Company shall in respect of each of its Directors also keep at its office a Register, as required by Section 307 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.
137. (a) Every Director (including a person deemed to be a Director by Virtue of the Explanation to sub-section (1) of Section 303 of the Act) Managing Director, Manager, or Secretary of the Company, shall within twenty days of his appointment to any of the above offices in any other body corporate, disclose to the Company the particulars relating to his office in the other body which are required to be specified under sub-section (1) of Section 303 of the Act.
- (b) Every Director and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provision of that section.

MANAGING DIRECTOR

138. Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its member or members as Managing Director or Managing Directors of the Company for fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit and subject to the provisions- of Article 140,

the Board may by resolution vest in such Managing Director or Managing Directors such of the powers hereby vested In the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine. The remuneration of a Managing Director may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all these modes, or any other mode not expressly prohibited by the Act.

139. The Managing Director or Managing Directors shall not exercise the powers to:
- (a) make calls on shareholders in respect of money unpaid on the shares in the Company;
 - (b) issue debentures and except to the extent mentioned in the resolution passed at the Board meeting under Section 292 of the Act, shall also not exercise the powers to
 - (c) borrow moneys, otherwise than on debentures;
 - (d) invest the funds of the Company, and
 - (e) make loans.
140. The Company shall not appoint or employ, or continue the appointment or employment of a person as its Managing or whole-time Director who
- (a) is an undischarged insolvent, or has at any time been adjudged as insolvent;
 - (b) suspends, or has at any time suspended payment to his creditors, or makes, or has at any time made a composition with them; or
 - (c) is, or has, at any time been convicted by a Court of an offence involving moral turpitude.
141. A Managing Director shall not while he continues to hold that office be subject to the retirement by rotation, in accordance with Article 129. If he ceases to hold the office of Director, he shall ipso facto and immediately cease to be a Managing Director.

PROCEEDINGS OF THE BOARD OF DIRECTORS

142. The Directors may meet together as a Board for the dispatch of business from time to time, and shall so meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.
143. Notice of every meeting of the Board shall be given in writing to every Director for the time being in India, and at his usual address in India; to every other Director.
144. The Secretary shall, as and when directed by the Directors to do so convene a meeting of the Board by giving a notice in writing to every other Director.
145. The Board shall appoint a Chairman of its meetings and determine the period for which he is to hold office. If no Chairman is appointed, or if at any meeting of the Board the Chairman is not present within five minutes after the time appointed, for holding the same, the Directors present shall choose some one of their member to be the chairman of such meeting.
146. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of the Section 287 of the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Board it shall be adjourned until such date and time as the Chairman of the Board shall appoint.

147. A meeting of the Board of which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Board.
148. Subject to the provisions of Sections 316, 327(4) and 386 of the Act, questions arising at any meeting shall be decided by a majority of votes, and- in case of any equality of votes, the Chairman shall have a second or casting vote.
149. The Board may subject to the provisions of the Act, from time to time and at any time delegate any of its powers to a committee consisting of such Director or Directors as it thinks fit, and may from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulation that may from time to time be imposed upon it by the Board.
150. The meetings and the proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto, and are not superseded by any regulations made by the Board under the Article 149.
151. Save in those case where a resolution is required by Sections 262, 292, 297, 316, 372(4) and 386 of the Act, to be passed at a meeting of the Board, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee of the Board, as the case may be, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors, or members of the Committee, at their usual address in India, and has been approved by such of them as are then in India, or by a majority of them as are entitled to vote on the resolution.
152. All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained In the Act or in these Articles, be as valid as it every such person had been duly appointed, and was qualified to be a Director and had not vacated his office or his appointment had not been terminated; provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.
153. (1) The Company shall cause minutes of all proceedings of every meeting of the Board and Committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in the books kept for that purpose with their pages consecutively numbered.
- (2) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- (3) In no case shall the minutes of proceedings of a meeting be attached I to any such book as aforesaid by a pasting or otherwise.
- (4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings.
- (6) The minutes shall also contain

- (a) the names of the Directors present at the meeting;
and
 - (b) in the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.
- (7) Nothing contained in sub-clause (1) to (6) shall be deemed to require the Inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting:
- (a) is, or could reasonably be regarded as defamatory of any person.
 - (b) is irrelevant or immaterial to the proceedings; or
 - (c) is detrimental to the interest of the Company.
- (8) The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause.

154. The Board may exercise all such powers of the Company and do all such acts, and things as are not, by the Act, or any other Act, or by the Memorandum, or by the Articles of the Company, required to be exercised by the Company in General Meeting subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting but no regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in General Meeting:

- (a) sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole of any such undertaking.
- (b) remit, or give time for the repayment of any debt due by a Director.
- (c) invest, otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in clause (a), or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time.
- (d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves - that is to say, reserve not set apart for any specific purpose. Provided further that the powers specified in Section 292 of the Act shall, subject to these Articles, be exercised only at meetings of the Board, unless the same be delegated to the extent there in stated; or
- (e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed twenty-five thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

155. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in

the last preceding Article, it is hereby declared that the Directors shall have the following powers; that is to say, power

- (1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
- (2) To pay any charge to the capital account of the Company and Commission or interest lawfully payable there out under the provisions of Sections 76 and 208 of the Act.
- (3) Subject to Sections 292 and 297 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorized to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
- (4) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in shares, bonds, debentures, mortgages, or other securities of the Company, and such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon all or any part of the property of the Company and its uncalled capital or not so charged;
- (5) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the firm being or in such manner as they may think fit;
- (6) To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed;
- (7) To appoint any person to accept and hold in trust for the Company and property belonging to the Company, in which it is interested, or for any other purposes; and execute such deeds and do all such things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;
- (8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, And of any claim or demands by or against the Company and to refer any differences to arbitration, and observe and, perform any awards made thereon;
- (9) To act on behalf of the. Company in all matters relating to bankrupts and insolvents;
- (10) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- (11) Subject to the provisions of Sections 292, 295, 370 and 372 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being shares of this Company), or without security and in such manner as they think fit, and from time to time to vary the size of such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name;
- (12) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present or future) as they think fit, and any such

mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.

- a. To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividends, warrants, releases, contracts and documents and to give the necessary authority for such purpose;
- (14) To distribute by way of bonus amongst the staff of the Company, share or shares in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company;
- (15) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions; funds or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;
- (16) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund, or to an Insurance Fund, or as a Reserve Fund, or Sinking fund, or any Special Fund to meet contingencies or to repay Debentures or Debenture stock, or for special dividends or for equalized dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purpose (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section. 292 of the Act, to invest the several sums so set aside or so much thereof as required to be invested upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of any apply and expand all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Board in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special Funds as the Board may think fit, with full power to transfer the whole, or any portion of a Reserve Fund or division of a Reserve Fund to another Reserve Fund or division, of a Reserve Fund and with full power to employ the assets constituting all or any of the above Funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Debentures or debenture-stock, and without being bound to keep the same, separate from the other assets and without being bound to pay interest on the same with power, however, to the Board at their, discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.
- (17) Subject to the provisions of the Act to appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisor, clerks, agents and servants of permanent, temporary or special services as they may for time to time think fit, and to determine their powers and duties and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. Also, from time to time provide for the management and transaction of the affairs of the Company in

any specified locality in India, or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.

- (18) To comply with the requirements of any local law which in their opinion it shall, in the interest of the Company be necessary or expedient to comply with;
- (19) From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to the members of such Local Boards and to fix their remuneration;
- (20) Subject to Section 292 & 293 of the Act from time to time and at any time, delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys, and to authorize the Members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.
- (21) At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under these presents and excluding the powers to make calls and excluding also, except in their limits authorised by the Board, the power to make loans and borrow moneys) And for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the Members of any Local Board, established as aforesaid or in favour of any company, or the share holders, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly by the Board and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them;
- (22) Subject to Sections 294, 294A, 297 and 300 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such contracts, and to execute and do all such, acts, deeds and things in the name and on behalf of the Company as they may consider expedient;
- (23) Subject to the provisions of Companies Act, 1956, the Board may pay such remuneration to Chairman/Vice Chairman of the Board upon such conditions as they may think fit.

THE SECRETARY

- 156. The Directors may from time to time appoint, and at their discretion, remove the Secretary provided that where the Board comprises only three Directors, neither of them shall be the Secretary. The Secretary appointed by the directors pursuant to this Article shall be a whole-time Secretary. The Directors may also at any time appoint some person, who need not be Secretary, to keep the registers required to be kept by the Company.

THE SEAL

- 157. (a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.

- (b) The Company shall also be at liberty to have an official Seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.

158. Every Deed or other instrument, to which the seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted attorney, be signed by two Directors or one Director and Secretary or some other person appointed by the Board for the purpose, provided that in respect of the Share Certificate, the Seal shall be affixed in accordance with the Article 19(a).

DIVIDENDS

159. The profits of the Company, subject to any special rights relating thereto created or authorized to be created by these Articles, and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.

160. The Company in General Meeting may declare dividends to be paid to The company in members according to their respective rights, but no dividend shall exceed general meeting may declare a the amount recommended by the Board, but the company in general meeting dividend may declare a smaller dividend.

161. No dividend shall be declared or paid otherwise than out of the profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both, provided that;

- (a) if the Company has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or years.
- (b) if the Company has incurred any loss in any previous financial year or years, the amount of the loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act, or against both.

162. The Board may, from time to time, pay to the Members such interim Dividend as in their judgment, the position of the Company justifies.

163. Where capital is paid in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.

164. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

165. The Board may retain the dividends payable upon shares in respect of which any person is under the Article 60 entitled to become a member or which any person under that Article is entitled to transfer; until such a person shall become a member, in respect of such shares or duly transfer the same.

166. Anyone of several person who are registered as joint-holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.

167. No member shall be entitled to receive payments of any interest or dividend in respect of his share or shares, while any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.

168. A transfer of share shall not pass the right to any dividend declared thereon before the registration of the transfer.

169. Unless otherwise directed, any dividend may be paid by cheque or warrant or by a pay-slip or receipt having the force of a cheque or warrant sent through the post to the registered address of the member or person entitled or in case of joint-holders to that one of them first named in the Register in respect of the joint-holdings. Every such cheque or Warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or Warrant or pay-slip or receipt lost in transmission, or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay-slip or receipt or the fraudulent recovery of the dividend by any other means.

170. No unclaimed dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the company shall comply with the provision of Sections 205A and 205C of the Act in respect of all unclaimed or unpaid dividends.

171. Any General Meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend and the dividend may, if so arranged between the Company and the member, be set off against the calls.

171A. Where the company has declared a dividend but which has not been paid or dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the company shall within 7 days from the date of the expiry of said period of 30 days open a special A/C in that behalf in any scheduled bank called "Unpaid dividend of Globus Spirits Limited" and transfer to the said account the total amount of unpaid dividend or where no dividend warrant has been posted. Any money transferred to the unpaid dividend account of the Company which remains unpaid/unclaimed for a period of 7 years from the date of such transfer, shall be transferred by the Company to the General Revenue A/C of the Central Govt.

A claim to any money so transferred to the general revenue account may be preferred to the central govt. by the shareholders to whom the money is due. No unclaimed/unpaid dividend shall be forfeited by the board.

CAPITALISATION OF RESERVES

172. Any General Meeting may resolve that any moneys, investments, or other assets forming part of undivided profits of the Company standing to the credit of the Reserves, or any Capital Redemption Reserve Fund, in the hands of the company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the Share Premium Account be capitalised and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such members in paying up in full any unissued shares, debentures, or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a Share Premium Account or a Capital Redemption Reserve Fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

173. A General Meeting may resolve that any surplus money arising from the realization of any capital asset of the Company or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.

174. For the purpose of giving effect to any resolution under the two last preceding articles hereof the Board may settle any difficulty which may arise in regard the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value of distribution of any specific assets, and may determine that cash payment shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or specific assets in trustees upon such trusts for the persons entitled to the Board. Where requisite, a proper contract shall be filed in accordance with Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the person entitled to the dividend or capital fund, and such appointment shall be effective.

175. (1) The company shall keep at the office or at such other place in India as the Board thinks fit, proper Books of Account in accordance with Section 209 of the Act, with respect to:

(a) all the sums of moneys received and expended by the Company and the matters in respect of which the receipts and expenditure take place.

(b) all sales and purchases of goods by the Company.

(c) the Assets and liabilities of the Company.

(2) Where the Board decides to keep all or any of the Books of Account at any place other than the office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving, the full address of that other place.

(3) The Company shall preserve in good order the Books of Account relating to the period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such Books of Account.

(4) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the Article if proper Books of Account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to date at intervals of not more than three months are sent by the branch office to the Company at its offices at other place in India, at which the Company's Books of Account are kept as aforesaid.

(5) The Books of Account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transaction. The Books of Account and other books and papers shall be open to inspection by any Directors during business hours.

176. The Board shall from time to time determine whether and to what extent and at what times and place and under what conditions are regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors, and no person (not being a member) shall have any right of inspecting any account or books or document of the Company except as conferred by law or authorised by the Board.

177. The Directors shall from time to time, in accordance with Sections 210, 211, 212, 215, 216 and 217 of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profit and Loss Account and Reports as are required by these Sections

178. A copy of every such Profit and Loss Account and Balance Sheet (including the Auditors' Report and every other document required by law to be annexed or attached to the Balance Sheet), shall at least twenty-one days before the meeting at which the same are to be laid before the members, be sent to the members of the Company, to holders of debentures issued by the Company (not being debentures which ex facie are payable to the bearer thereof); to trustees for the holders of such debentures and to all persons entitled to receive notice of General Meeting of the Company.

AUDIT

179. Auditors shall be appointed and their rights and duties regulated in accordance with Sections 224 to 233 of the Act.

180. The First Auditor or Auditors of the Company shall be appointed by the Board within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the First Annual General Meeting provided that. The Company may, at a General Meeting, remove any such Auditor or all of such Auditors and appoint in his or their place any other person or persons who have been nominated for appointment by any member of the Company and of whose nomination notice has been given to the members of the company not less than fourteen days before the date of the Meeting provided further that if the Board fails to exercise its powers under this Article, the Company in General, Meeting may appoint the first Auditor or Auditors.

The aforesaid provisions shall mutatis mutandis apply to any Secretarial Auditor appointed under the relevant provisions of the Act.

DOCUMENTS AND NOTICES

181. (1) A document or notice may be served or given by the Company on any member either personally or sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him.

(2) Where a document or notice is sent by post, services of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of the doing so; service of the documents or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of Notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.

182. A document or notice advertised in a newspaper circulating in the neighborhood of the Office shall be deemed to be duly served or sent on the day on which the advertisement appears to every member who has no registered address in India and has not supplied to the Company an address within India for serving of documents on or the sending of notices to him.

183. A document or notice may be served or given by the Company on or given to the joint-holders of a share by serving or giving the document or notice on or to the joint-holders named first in the Register of Members in respect of the share.

184. A document or notice may be served or given by the Company on or to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through post in a prepaid letter addressed to him or them by name or by the title of representatives of the deceased or assignee of the insolvent or by any like description, at the address (if any) in India supplied for the purpose by the persons claiming to be entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.

185. Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore on or to (a) every member (b) every person entitled to a share in consequence of the death or Insolvency of a member, and (c) the Auditor for the time being of the Company.

186. Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such shares, previously to his name and address being entered on the

Register of Members, shall have been duly served on or given to the person from whom he derives his title to such shares.

187. Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purpose and the signatures thereto may be written, printed or lithographed.

188. All documents or notices to be served or given by members on or to the Company or any office thereof shall be served or given by sending it to the Company or Officer at the Office by post under a certificate of posting or by registered post, or by leaving it at the office.

WINDING UP

189. The Liquidator on any winding-up (whether voluntary, under supervision or compulsory) may, with the sanction of a Special Resolution but subject to the rights attached to any preference share capital, divide among the Contributories in specie any part of the assets of the Company and may with the like sanction; vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction shall think fit.

INDEMNITY AND RESPONSIBILITY

190. Every Officer or Agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceeding, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of Act, in which relief is granted to him by the Court.

SECRECY

191. Subject to the provisions of these Articles and the Act no member, or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade-secret, mystery, of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors will be inexpedient in the interest of the Company to communicate.'

SECTION X

OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following Contracts (not being contracts entered into in the ordinary course of business carried on by Globus Spirits Limited entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material contracts have been entered into or to be entered into by the Company. These Contracts, copies of which have been attached to the copy of this Red Herring Prospectus, shall be delivered to the Registrar of Companies, NCT of Delhi & Haryana, Delhi, for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of Globus Spirits Limited Ltd. at C-631, New Friends Colony, New Delhi - 110 065 between 11.00 a.m. to 5.00 p.m. on any working day from the date of the Red Herring Prospectus till the Closing Date of the Issue.

Material Contracts

- i) Memorandum of Understanding dated September 17, 2008 entered into by the Issuer Company with Srei Capital Markets Ltd.
- ii) Memorandum of Understanding dated August 11, 2009 entered into by the Issuer Company with Keynote Corporate Services Limited
- iii) Letter of Appointment dated July 2, 2007 from the Issuer Company appointing Link Intime India Private Limited as Registrar to the Issue.
- iv) Memorandum of Understanding dated September 11, 2008 entered into by the Issuer Company with Link Intime India Private Limited.
- v) Engagement Letter dated July 18, 2008 to M/s Vaish Associates appointing them as Legal Advisor to the Issue.
- vi) Escrow Agreement dated August 24, 2009 between the Company, the BRLMs, the Escrow Collection Banks and the Registrar to the Issue.
- vii) Syndicate Agreement dated August 24, 2009 between the Company, the BRLMs, and the Syndicate Members.
- viii) Underwriting Agreement dated [●] between the Company, the BRLMs, and the Syndicate Members.
- ix) Tripartite Agreement dated September 5, 2007 between the Company, NSDL and Link Intime India Private Limited
- x) Tripartite Agreement dated August 28, 2007 between the Company, CDSL and Link Intime India Private Limited
- xi) Copy of the Manufacturing Agreement entered into by the Company with BDA Private Limited (BDA) on February 15, 2007.
- xii) Copy of the Supplementary Agreement to the Manufacturing Agreement entered into by the Company with BDA Private Limited (BDA) on March 16, 2007.
- xiii) Copy of the Manufacturing Agreement entered into by the Company with SVP Industries Limited on April 18, 2007.
- xiv) Copy of the Bottling Privilege Agreement entered into by the Company with SVP Industries Limited on September 17, 2007.
- xv) Copy of the Supplementary Agreement to the Bottling Privilege Agreement entered into by the Company with SVP Industries Limited on April 1, 2008.
- xvi) Copy of the Manufacturing Agreement entered into by the Company with Imperial Spirits Limited on April 1, 2009.
- xvii) Copy of the Sub Lease Agreement entered into by the Company with Bagga Distillery Hyderabad Private Limited on March 14, 2008.
- xviii) Copy of the Supplementary Agreement to the Sub Lease Agreement entered into by the Company with Bagga Distillery Private Limited on March 14, 2008.
- xix) Copy of the Letter dated 28.03.2009 for extension of period upto 31.03.2010 entered into by the Company with Bagga Distillery Private Limited.
- xx) Copy of the Manufacturing Agreement entered into by the Company with Tracstar Investments Private Limited on April 25, 2008.
- xxi) Copy of the Letter dated 29.06.2009 for extension of period upto 30.06.2010 entered into by the Company with Tracstar Investments Private Limited.
- xxii) Copy of the Lease Agreement entered into by the Company with Jagatjit Industries Limited on January 30, 2009.

Documents for Inspection

- i) Memorandum and Articles of Association of Globus Spirits Limited as amended from time to time.
- ii) Certificate of Incorporation dated February 16, 1993.
- iii) Certificate of Commencement of Business dated March 19, 1993.
- iv) Fresh Certificate of Incorporation dated January 23, 2007 consequent upon change of name from Globus Agronics Limited to Globus Spirits Ltd.
- v) Resolution Passed by the Board of Directors at their meeting held on April 2, 2009 for the proposed Public Issue.
- vi) Special Resolution passed by the shareholders of the Company at the EGM held on May 29, 2009, pursuant to Section 81 (1A) of the Companies Act, 1956.
- vii) Copies of Audited Financial Results of Globus Spirits Limited for the years ended 31st March, 2005, 2006, 2007, 2008, 2009 and period ended June 30, 2009.
- viii) Auditor's Report on the Restated financial statements of the Company in terms of Schedule II part II of the Companies Act, 1956 dated August 1, 2009 and included in the Red Herring Prospectus.
- ix) Sanction letters towards Term Loan and Working Capital facilities.
- x) Consents of the Directors, Company Secretary & Compliance Officer, Auditors, Book Running Lead Manager, Registrar to the Issue, Bankers to the Issue, Bankers to the Company, and Legal Advisor to the Issue, as referred to, to act in their respective capacities.
- xi) Tax Benefit Certificate dated August 1, 2009 from M/s B.M. Chatrath & Co., Chartered Accountants, and Statutory Auditors of the Company.
- xii) Copy of the Auditors Certificate dated August 12, 2009 from M/s B.M. Chatrath & Co. Chartered Accountants regarding the Sources and Deployment of Funds as on July 31, 2009
- xiii) State Bank of India Financial Appraisal Report dated September 5, 2008.
- xiv) Copy of the Resolution passed at the Board Meeting held on December 1, 2006 appointing Mr. Ajay Kumar Swarup as Managing Director and, Mr. Rajesh Kumar Malik and Mr. Rameshwar Dayal Aggarwal as Whole Time Directors and; copy of the Resolution passed at the Board Meeting held on August 1, 2009 re-appointing Mr. Manik Lal Dutta as Whole Time Director.
- xv) Copies of the Resolutions passed at the EGM held on December 29, 2006 appointing Mr. Ajay Kumar Swarup as Managing Director and, Mr. Rajesh Kumar Malik and Mr. Rameshwar Dayal Aggarwal as Whole Time Directors and; copy of the Resolution passed at the AGM held on September 30, 2006 appointing Mr. Manik Lal Dutta as Whole Time Director.
- xvi) Copies of Orders placed, and Quotations obtained for equipments yet to be ordered.
- xvii) In-principle listing approvals received from BSE dated 13.01.2009 and from NSE dated 28.01.2009.
- xviii) General Power of Attorney dated September 17, 2008 executed by Directors in favour of Mr. Manik Lal Dutta or Mr. Santosh Pattanayak for signing and making necessary changes in the Red Herring Prospectus.
- xix) Legal Advisor's Due-Diligence Certificate dated August 24, 2009.
- xx) Due Diligence Certificate dated August 14, 2009 to SEBI from Srei Capital Markets Ltd.
- xxi) Due Diligence Certificate dated August 14, 2009 to SEBI from Keynote Corporate Services Limited
- xxii) SEBI Observation Letter no. CFD/DIL/ISSUES/NB/DM/53920/2009 dated February 11, 2009.
- xxiii) Reply to SEBI's observations vide letter dated August 16, 2009.
- xxiv) Resolution of the Members of the Company passed at the AGM held on September 30, 2008 appointing M/s B.M. Chatrath & Co., Chartered Accountants, as statutory auditors.
- xxv) Copies of forms along with relevant resolutions regarding increase in the Authorised Share Capital.
- xxvi) Copy of the Board Resolution approving the Draft Red Herring Prospectus and the Red Herring Prospectus..
- xxvii) Agreement entered into on April 13, 2007 between the Company, Mr. Deepak Roy and Mr. Ajay Kumar Swarup.
- xxviii) IPO Grading letter dated August 10, 2009 along with rationale from Credit Analysis & Research Limited (CARE).

xxix) Rating letter dated August 10, 2009 of the long term bank facilities of Rs. 19.1 crore and long term/short term bank facilities of Rs. 2.0 crore.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or guidelines issued, as the case may be. We further certify that all the disclosures made in this Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS

Mr. Gautam Premnath Khandelwal, *Chairman*

Mr. Ajay Kumar Swarup, *Managing Director*

Mr. Manik Lal Dutta, *Executive Director*

Mr. Rajesh Kumar Malik, *Whole Time Director*

Mr. Rameshwar Dayal Aggarwal, *Whole-time Director*

Mr. Deepak Roy, *Director*

Mr. Joginder Singh Dhamija, *Director*

Mr. Santosh Kumar Bishwal, *Director*

Signed by Dr. Bhaskar Roy, Executive Vice President & Chief Financial Officer

Signed by Mr. Santosh Kumar Pattanayak, Company Secretary & Compliance Officer

Place: New Delhi

Date : August 24, 2009