DRAFT RED HERRING PROSPECTUS
Please read Section 60B of the Companies Act, 1956
Dated [●]
(The Draft Red Herring Prospectus will be updated upon filing with the Registrar of Companies, Delhi & Haryana)
100% Book Built Issue

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. 7 of this Draft Red Herring Prospectus)

Registered Office: C-631, New Friends Colony, New Delhi - 110065, India
Tel.: +91 11 41628325/26836394, 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

PUBLIC ISSUE OF [●] EQUITY SHARES OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●] (INCLUDING SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING TO RS. 6800 LAKHS (HEREINAFTER REFERRED TO AS THE "ISSUE") THE ISSUE WILL CONSTITUTE [●] % OF THE POST-ISSUE PAID-UP CAPITAL OF THE COMPANY.

PRICE BAND: RS. [●] TO RS. [●] PER EQUITY SHARE OF FACE VALUE OF RS. 10/- EACH. THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND [●] TIMES OF THE FACE VALUE AT THE HIGHER END OF PRICE BAND.

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 Ltd. (NSE) by issuing a press release and also by indicating the change on the website of the Book Running Lead Manager (BRLM) 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 Issue size 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 Issue size would be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue size 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/- per share and the Issue Price is [●] times of the face value at the lower end of the price band and [●] times of the face value at the higher end of price band**. The Price Band (as determined by the Company, in consultation with the BRLM 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 Draft Red Herring Prospectus. **Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page no. x of the Draft Red Herring Prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for, and confirms that this Draft 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 Draft 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 Draft 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 Draft 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 have been received from these Stock Exchanges for listing of the Equity Shares pursuant to their letters dated **[●]** and **[●]** respectively.

IPO GRADING

CARE has assigned **"IPO Grade [●]"** to the proposed public issue of the Company. For more information on IPO Grading, refer to page no. 11 of the Draft Red Herring Prospectus.

BOOK RUNNING LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
SREI **SREI CAPITAL MARKETS LIMITED** 'Vishwakarma', 86C, Topsia Road (South) Kolkata – 700 046, West Bengal, India Tel : +91 33 3987 3810 / 3987 3845 Fax: +91 33 3987 3861 / 3987 3863 E-Mail: capital@srei.com Website: www.srei.com SEBI Regn. No.: INM 000003762	**INTIME SPECTRUM REGISTRY LTD.** 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: globus.ipo@intimespectrum.com Website: www.intimespectrum.com SEBI Regn. No.: INR 000003761

ISSUE PROGRAMME

BID/ISSUE OPENS ON: [●]	**BID/ISSUE CLOSES ON: [●]**

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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.
Group Companies/Firms	Shall mean 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, and Ridhi Estates Private Limited, and Globus Spirits U.K. Limited.
Promoter(s)	Shall mean jointly M/s Chand Bagh Investments Limited and Mr. Ajay Kumar Swarup.
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.
Auditors	The statutory auditors of the Company, being M/s B.M. Chatrath & Co., Chartered Accountants, 1A/1, Hospital Road, Jungpura-A, New Delhi – 110014.
Banker(s) to the Issue	**[•]**
Bid	An indication to make an offer made by a prospective investor during the Bidding/Issue Period by a bidder 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 Draft Red Herring Prospectus.
Bidder(s)	Any prospective investor who makes a Bid for Equity Shares in terms of this Draft 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.
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.
BRLM/Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being SREI Capital Markets Limited.
BSE	Bombay Stock Exchange Limited.
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. **[•]** 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 901 & 902, 9th Floor, Shubham Building, 1, Sarojini Naidu Sarani, Kolkata – 700 017
Companies Act/ The Act	The Companies Act, 1956, as amended from time to time.
Cut-off / Cut-off Price	The Issue Price finalised by the Company in consultation with the BRLM. Only Retail Individual Bidders 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	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
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	This 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 offered and the size of the Issue.
Equity Shares	Equity Shares of the Company of face value of Rs. 10/- each, unless otherwise specified in the context thereof.
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, Syndicate Members, the Registrar, the Escrow Collection Bank(s) and the BRLM 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.
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, below which the Issue Price will not be finalised and below which no bids will be accepted.
Fresh Issue/ Issue/ Public	Public Issue of **[•]** Equity Shares of Rs. 10/- each for cash at

Issue/ Offer	the Issue Price of Rs. **[•]** aggregating to Rs. 6800 lakhs by the Company in terms of this Draft 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 Price	The final price at which Equity Shares will be allotted in the Issue, as determined by the Company in consultation with the BRLM, on the pricing date.
Issuer	Globus Spirits Limited
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 **[•]** Equity Shares (assuming the QIB Portion is for 50% of the Issue size) available for allocation to Mutual Funds only, out of the QIB Portion.
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 Issue size being **[•]** 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	The price band with a minimum price of Rs. **[•]** and the maximum price of Rs. **[•]** per Equity Share, including revisions thereof.
Pay-in-Period	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 Amount, the period commencing on the Bid 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 BRLM 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	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 specified in Section 4A of the Companies Act, FIIs, 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 and Pension Funds with a minimum corpus of Rs. 2500 lakhs.
QIB Portion	The portion of the Issue size being **[•]** Equity Shares of Rs.10 /- each available for allocation to QIB Bidder(s).
Registrar/Registrar to the Issue	Being the Registrar appointed for the Issue, in this case Intime Spectrum Registry Limited having its registered office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhadup (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 Issue size being **[•]** Equity Shares of Rs. 10 each available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders 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.
ROC/Registrar of Companies	Registrar of Companies, Delhi & Haryana, New Delhi.
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.
Stock Exchanges	BSE and NSE.
Syndicate	BRLM and Syndicate Member(s).
Syndicate Agreement	The agreement to be entered into among the Company and Syndicate Member(s) in relation to the collection of Bids in this Issue.
Syndicate Members	**[•]**
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 to be entered into on or after the Pricing Date.
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

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.
Asst.	Assistant.
AY	Assessment Year
BSE	Bombay Stock Exchange Limited
Bn	Billion
CAGR	Compound Annual Growth Rate
CCPS	Convertible Cumulative Preference Shares

CDSL	Central Depository Services (India) Limited
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
Dy.	Deputy
EBIT	Earnings before Interest and Tax.
EBITDA	Earnings before Interest, Tax, depreciation and amortization.
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.
FIPB	Foreign Investment Promotion Board
FY	Financial year/ Fiscal year
GAAP	Generally Accepted Accounting Principles
GIR	General Index Registry Number
GoI	Government of India
HUF	Hindu Undivided Family
OBC	Oriental Bank of Commerce
ICAI	The Institute of Chartered Accountants of India
IEC	Importer Exporter Code
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
PF	Provident Fund
PLR	Prime Lending Rate
PNB	Punjab National Bank
RBI	The Reserve Bank of India
ROC	Registrar of Companies, Delhi & Haryana, IFCI Tower, 4th 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
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
TAN	Tax Account Number
UIN	Unique Identification Number
USD/US$/$	United States Dollar
WTD	Whole time Director

SECTION II

i. CERTAIN CONVENTIONS; USE OF MARKET DATA

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from the restated financial statements for the years ended March 31, 2003, 2004, 2005, 2006 and 2007, 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. 130 of this Draft Red Herring Prospectus. The fiscal year commences on April 1 and ends on March 31.

In this Draft 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 Draft Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Throughout this Draft Red Herring Prospectus, all figures have been expressed in Lakhs, unless otherwise stated. All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India. All references to "Rupees" or "Rs." 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 legal currency of the United States of America.

For additional definitions used in this Draft Red Herring Prospectus, see the section "Definitions and Abbreviations" beginning from on page no. i of this Draft Red Herring Prospectus. In the section entitled "Main Provisions of the Articles of Association of the Company" on page no. 236 of this Draft 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 Draft Red Herring Prospectus has been obtained from industry publications and other authenticated published data. 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 Draft 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 Draft Red Herring Prospectus contains certain forward-looking statements. These forward looking statements can be generally identified by words or phrases such as "will", "aim", "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. x, 2 & 49, and 170 respectively, of this Draft 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.

ii. 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 Draft 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 profitability of the Company.

Management Perception
The main raw materials are Molasses and Grain. Molasses is procured from the numerous sugar mills in the Company's neighbourhood both within the state of Haryana and outside it. Grain is procured from major stockists in the State of Delhi. Both the raw materials are easily available in the vicinity of the plant site, which is well connected to facilitate road transportation thus ensuring an uninterrupted supply of raw materials. 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 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, will import molasses at competitive prices from neighbouring states or countries. With a very robust sugar industry currently, the Company does not foresee any major fall in production of molasses, and consequently does not see any adverse price volatility. Further the

Company is 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. The Company follows prudent policies to keep its costs under check. The risk on account of price fluctuation of raw materials is reduced by loading the incremental raw material costs on the prices of finished products thereby insulating the Company from any adverse impact. Profitability will depend on the ability and the extent to which the Company can pass on the burden of such rise in costs to the consumers.

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. **Any delay in Implementation Schedule could result in time and cost overrun in the Project**

The Company, as regards the Project, has made certain assumptions on the time frame by which the Project will be completed. While adequate contingency provisions have been made while assessing the capital cost of the project, the total cost has been assessed at current rates which are subject to fluctuations in future due to hike in input cost, higher levies etc.

Also, the sanctioning of the loans is contingent on the satisfaction of certain conditions such as raising of funds through IPO etc. In case there is a delay in complying with any of the conditions, it may result in time and cost over run, which in turn may adversely impact the future profitability.

Management Perception

The prices of various machinery, equipments and civil works have been firmed up and no major cost overrun is expected. The management hopes to conduct its trial run and commercial production of the project as per schedule and no delay is expected.

The Company has meticulously assessed the implementation schedule and hopes to work in a time-bound schedule as mentioned at page no. 30 of the Draft Red Herring Prospectus.

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. 125 and 121 of this Draft 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. The Company shall ensure that the Public issue is successfully completed, without hampering the timelines for the project.

The management will ensure that there is no 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 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 the near future, there are no plans to issue further equity shares. 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 for the Plant and Machinery required for the proposed project**

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 yet to place orders for the entire plant and machinery aggregating to Rs. 5042 lakhs. The Company proposes to order for the machines in due course.

The Company has, as on June 25, 2007, spent a total sum of Rs. 451 lakhs towards the project. The above expenditure has been funded from internal accruals of the Company.

10. **The group companies M/s Rajasthan Distilleries Private Limited, Globus Infosys Private Limited, and Ram Bagh Estates Private Limited, being companies**

promoted by the Promoter have been inactive and not being doing any business during the last three financial years.

Management Perception
The lack of business of the group companies will not affect the operations of the Issuer Company. Rambagh Estates Pvt. Ltd., however, has become operational in the financial year 2006-07.

11. **Loss Making Companies promoted by the Promoters**
The following group companies, promoted by the promoter, have made losses during the last three financial years:

i. Vitthal Properties Pvt. Limited
ii. Shaktiman Properties Pvt. Limited
iii. Sidhi Estates Pvt. Limited
iv. Ridhi Estates Pvt. Limited
v. Biotech India Limited

Management Perception
The performance of the group companies will not affect the operations of the Issuer Company.

12. **Common pursuits**
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.	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. 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.
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.	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% equity.

13. **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.

14. **Lack of Branding and inadequate geographical spread of products**

Management Perception
The Company already has branded products in its Country Liquor segment and its market share is competitive (Please refer to page no. 76-77 of this Draft Red Herring Prospects). At present, the Company has presence in the states of Haryana, Rajasthan and Delhi, 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.

The Company has launched its IMFL products in Haryana and Rajasthan, and has forayed into Uttar Pradesh and Kerala through bottling tie-ups. The Company is making efforts to create brand and product awareness through public relations exercise.

15. **No distribution network for IMFL**

Management Perception
In Haryana and Rajasthan, the distribution network/channel that has been developed for Country Liquor is proposed to be used for IMFL products. 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.

16. **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	Not Available	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. Pending for final hearing. Date to be fixed later on.
Labour Cases	Not Available	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. The notice is to be served on the State of Rajasthan.

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/- N/A Rs. 2,71,498/-	a. Next hearing is fixed on July 17, 2007 for final arguments. b. Next hearing is fixed on July 18, 2007 for arguments by the parties. c. Next hearing is fixed for arguments by the parties. Date will be fixed later.
Writ Petitions	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 5, 2007.

For further details regarding these litigations, please refer to the section titled "Outstanding Litigations and Defaults" beginning on page no. 178 of this Draft Red Herring Prospectus.

17. **As on March 31, 2007, the Company has Unsecured loans amounting to Rs. 143.38 lakhs comprising Rs. 17.38 lakhs by way of Inter-Corporate Deposits (ICDs) and the balance Rs. 126 lakhs from Global Trade Finance Ltd. The Unsecured loans by way of ICDs bear no interest 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 more than reasonable assurance that there will be no bulk and sudden withdrawal of the above loan. However, the Company has adequate reserves to make such payment in the event of such a withdrawal, and therefore is of the opinion that it will not affect the Company's operations or profitability.

18. **The Company has planned capital expenditures, which may not yield the benefits intended**

The Company cannot assure you that it will be able to execute its expansion plans as contemplated in the section titled "Objects of the Issue" beginning on page no. 22 of this

Draft Red Herring Prospectus. 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. Please refer to the section titled "Objects of the Issue" beginning on page no. 22 of this Draft Red Herring Prospectus for details of proposed plans.

19. **Certain non-compliances:**
The Company is not compliant with the following requirement:
The Company however does not have registration under the Delhi Shops and Establishment Act for its registered office.

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. **IMFL industry is witnessing high level of competition as the domestic players gear up to compete for a larger share of the market. The entry of multinationals in the domestic liquor business has led to increased competition. Growing competition may force the Company to reduce the prices of its products and services, which may reduce its revenues and margins and/or decrease its market share, either of which could have a materially adverse effect on its business, financial condition and results of operation.**

Management Perception

In view of favourable market scenario, prospects of liquor industry are very promising. The Company, therefore, does not foresee any problem despite competition and entry of multinationals. The Company's products command good acceptance both in the Country Liquor and IMFL sectors. The Company aims to sustain growth with dynamic business strategies and plans to broad base its product-mix by introduction of new products. The Company is now making conscious efforts to enhance the brand positioning and has allocated specific funds for the said purpose.

For a detailed understanding of the industry and the Company's share in the market, please refer to page no. 1 & 41 and 75 of this Draft Red Herring Prospectus.

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. **Evolving IMFL industry standards, changing consumer preferences and new product introductions have an important impact on the Company's business. The Company's success depends on its ability to keep pace with these changes. 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. **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, and consequently reflect on the Company's business. 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 consequences of any of the above are unpredictable and the Company may not be able to foresee events that could have a material adverse effect on its business, financial condition or results of operations.

8. **The Company's operations could be affected by natural calamities at or in the vicinity of its property.**

   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, floods, natural and similar events. The occurrence of a natural disaster or other unanticipated problems at its production facilities can cause interruptions in its operations. Any damage or failure that causes interruptions in its operations could have a negative impact on its profitability and financial condition.

9. **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.

10. 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.

11. 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.

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

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

14. **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 **[•]** Equity Shares of Rs.10/- each for cash at a price of Rs. **[•]** per Equity Share aggregating to Rs. 6800 lakhs. The face value of the Equity Share is Rs. 10 and the Issue Price is **[•]** times of the face value at the lower end of the price band and **[•]** times of the face value at the higher end of the price band. The Issue will constitute **[•]**% 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. 33.16 as at March 31, 2007, as per the restated financial statements under Indian GAAP.

c. The Net Worth of the Company was Rs. 2549.26 lakhs as at March 31, 2007, 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 Issue size 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, Further, not less than 15% of the issue size would be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the issue size 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.

f. For details of related party transactions, please refer to the Annexure IV of Section V titled "Financial Information" on page no. 135-137 of this DRHP.

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 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. 226 of this Draft 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 BRLM 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 BRLM or the Compliance Officer 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. 34 of this Draft Red Herring Prospectus before making any investment in this issue.

l. In addition to the BRLM, the Company is obliged to update the Draft 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 Draft Red Herring Prospectus.

m. None of the Promoters, Promoter Group Companies have undertaken transactions in the shares of the Company in the last six months preceding the date on which the Draft Red Herring Prospectus is filed with SEBI, except as stated at page no. 19 of this Draft Red Herring Prospectus.

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.

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. x of this Draft Red Herring Prospectus and the more detailed information about Globus and its financial statements beginning on page no. 130 of this Draft Red Herring Prospectus before deciding to invest in the equity shares offered by the Company.

i. 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; http://mofpi.nic.in/industryspecificinformation)*

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.

Demand for potable alcohol is seasonal in nature. Liquor consumption increases during winter. In addition, 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. Also, Sugar mills operate for only 6-7 months in a year, depending on the availability of sugarcane, which in turn affects the availability of molasses each season. *(Source: Financial Appraisal Report of SBI dated May 9, 2007)*

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.

State governments regulate and control the distribution of alcohol in their states. The Indian alcohol industry comprises Indian Made Foreign Liquor (IMFL) like Whisky, Rum, Brandy, Gin, Vodka, etc., which together sell 160 million cases a year; Beer sells 85 million cases per year and Wine sells only around 3 lakh cases per year. In addition, there is a huge and fast growing market for country liquor with brand loyalty gaining ground over a period.

India is emerging as the largest global market for whisky, with sales of more than 80 million cases per annum. Imported brands, however, account for a miniscule percentage of the total consumption and the market is almost entirely covered by Indian whisky.

(Source: Financial Appraisal Report of SBI dated May 9, 2007)

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 in the coming years also, with increasing disposable surplus in the hands of people. 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, the duties levied by various State Governments and the extent of competition amongst players. *(Source: Financial Appraisal Report of SBI dated May 9, 2007)*

For further details, please see the section on "Industry Overview" beginning from page no. 41 of this Draft 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 high quality liquor. The Company has a brand portfolio of its own in the Country Liquor segment, and caters to reputed Indian brands in the IMFL segment. The Company has already launched its own IMFL brands in the north Indian state of Haryana and, proposes to launch the brands in six more states in North India and four states in South India.

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 both the units stand is at 144 lakh Bulk Litres (BL) per annum each.

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.

In the Country Liquor segment, the Company is one of the leading suppliers having 23.04% market share in the state of Rajasthan for the Financial Year 2006-07. *(Source: Asst. Excise Officer, Excise Department, Behror, Rajasthan).* In the state of Haryana, the market share of the Company is 16.24% for the Financial Year 2006-07. *(Source: Excise & Taxation Officer, Excise Department, Samalkha, Haryana).* In the state of Delhi, the Company has a share of 26% in the total procurement of Country Liquor by the State Government of Delhi. *(Source: Acceptance of Tender of Country Liquor vide letter no. F.1(80)/Ex/CL/06-07/342 dated 23.2.2007 of Collector of Excise, Office of the Commissioner of Excise, Entertainment & Luxury Tax, Delhi).*

The Company is now gearing up for modernization and expansion of its production facilities in order to become a leading alcohol industry player in the northern region, 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 leading 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. 49 of this Draft Red Herring Prospectus.

ii. THE ISSUE

Equity Shares offered:	
Fresh Issue to Public	**[•]** Equity Shares at the Issue Price of Rs. **[•]** per Equity Share aggregating to Rs. 6800 lakhs.
Out of which:	
Qualified Institutional Buyers portion of which:	Up to **[•]** Equity Shares of Rs. 10/- each at the Issue Price of Rs. **[•]** per Equity Share aggregating to Rs. 3400 lakhs. (Allocation on a proportionate basis).
Available for allocation to Mutual Funds	**[•]** Equity Shares of Rs. 10/- each at the Issue Price of Rs. **[•]** per Equity Share aggregating to Rs. 170 lakhs. (Allocation on a proportionate basis)
Balance for all QIBs including Mutual Funds	**[•]** Equity Shares of Rs. 10/- each at the Issue Price of Rs. **[•]** per Equity Share aggregating to Rs. 3230 lakhs. (Allocation on a proportionate basis)
Non Institutional portion	Not less than **[•]** Equity Shares of Rs. 10/- each at the Issue Price of Rs. **[•]** per Equity Share aggregating to Rs. 1020 lakhs. (Allocation on a proportionate basis)
Retail portion	Not less than **[•]** Equity Shares of Rs. 10/- each at the Issue Price of Rs. **[•]** per Equity Share aggregating to Rs. 2380 lakhs. (Allocation on a proportionate basis)
Equity Shares outstanding prior to the Issue	1,17,57,741 Equity Shares of Rs. 10/- each
Equity Shares outstanding after the Issue	**[•]** 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. 22 of this Draft Red Herring Prospectus.

The Company is exploring the possibility of issuing Equity Shares to certain investors including domestic venture capital funds. The Company would be completing the issuance of such Equity Shares ("**Pre-IPO Placement**"), if any, prior to filing the Red Herring Prospectus with the ROC. If the Pre-IPO Placement is successfully completed, the number of Equity Shares issued for such purpose, will be reduced from the Net Issue to the Public.

NOTES:

i. The fresh issue of Equity Shares in terms of this Draft Red Herring Prospectus has been authorized by the Board of Directors in their meeting held on March 15, 2007 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 June 2, 2007.

ii. Subject to valid bids being received at or above the Issue Price. Undersubscription, if any, in the Issue would be allowed to be met with spill over from any category or combination of categories at the discretion of the Company in consultation with the BRLM. However, if the aggregate demand by Mutual Funds is less than 5% of the QIB portion (assuming QIB portion is 50% of the Issue size), the balance Equity Shares available for allocation in the Mutual Fund portion will first be added to the QIB portion and be allocated proportionately to the QIB bidders.

iii. 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 Draft 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. 170 respectively, of this Draft Red Herring Prospectus.

The following summary financial information is derived from the Company's restated financial statements as of March 31, 2003, 2004, 2005, 2006 and 2007 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 year ended on 31st March, 2003, 2004, 2005, 2006 and 2007 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 Lakhs

Particulars	**AS ON**				
	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007
Fixed Assets:					
Gross Block	2,254.89	2,411.98	2,602.62	3,478.48	4,346.19
Less: Depreciation	1,361.30	1,464.87	1,581.50	1,786.87	2,060.46
Net Block	893.59	947.11	1,021.12	1,691.61	2,285.73
Less: Revaluation Reserve	-	-	-	-	-
Net Block after adjustment for Revaluation Reserve	**893.59**	**947.11**	**1,021.12**	**1,691.61**	**2,285.73**
Capital Work In Progress	22.93	24.42	202.83	13.09	169.16
Total Fixed Assets (A)	**916.52**	**971.53**	**1,223.95**	**1,704.70**	**2,454.89**
Investments (B)	**2.59**	**2.59**	**2.59**	**2.59**	**2.59**
Current Assets, Loan & Advances:					
Interest accrued but not due	0.83	0.79	0.93	1.06	0.93
Inventories	163.69	267.24	532.25	443.09	989.08
Sundry Debtors	421.05	550.23	425.90	511.49	999.04
Cash & Bank Balances	38.89	47.78	31.85	58.26	175.01
Loan & Advances & others	318.35	261.24	482.47	358.51	494.20
Deferred Revenue-Brand Promotion Exps					88.37
Total (C)	**942.81**	**1,127.28**	**1,473.40**	**1,372.41**	**2,746.63**
Liabilities & Provisons:					
Secured Loans	1.97	64.79	255.62	241.62	711.59
Unsecured Loans	30.00	49.39	126.14	53.97	143.38
Deferred Tax Liability	-	25.13	64.78	105.79	271.34
Current Liabilities and Provisions	712.96	827.17	1,093.97	994.78	1,528.54
Total (D)	**744.93**	**966.48**	**1,540.51**	**1,396.16**	**2,654.85**
Net Worth (A+B+C - D)	**1,116.99**	**1,134.92**	**1,159.43**	**1,683.54**	**2,549.26**
Represented by Share Capital (I)	768.85	768.85	768.85	768.85	768.85
Reserves	349.81	367.82	391.76	915.64	1,781.16
Less :Revaluation Reserve	-	-	-	-	-
Reserves (Net of Revaluation Reserves)II	**349.81**	**367.82**	**391.76**	**915.64**	**1,781.16**
Less Miscellaneous Expenditure III	1.67	1.75	1.18	0.95	0.75
Net Worth (I+II-III)	**1,116.99**	**1,134.92**	**1,159.43**	**1,683.54**	**2,549.26**

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

STATEMENT OF PROFIT & LOSSES, AS RESTATED

Rs. in Lakhs

Particulars	FOR THE YEAR ENDED				
	31-Mar-03	**30-Mar-04**	**31-Mar-05**	**31-Mar-06**	**31-Mar-07**
INCOME					
Turnover:					
Manufactured Goods	4,187.08	4,792.63	6,795.65	8,683.41	11,666.70
Gross Sale	**4,187.08**	**4,792.63**	**6,795.65**	**8,683.41**	**11,666.70**
Less:					
Excise Duty Consumed	-	-	-	-	467.17
Net Sales(i)	**4,187.08**	**4,792.63**	**6,795.65**	**8,683.41**	**11,199.53**
Other Income	6.41	47.86	14.75	16.61	49.21
Sub-Total (ii)	**6.41**	**47.86**	**14.75**	**16.61**	**49.21**
Increase (Decrease) in Inventories	(34.08)	67.28	212.56	(62.47)	123.50
TOTAL INCOME (A)	**4,159.41**	**4,907.77**	**7,022.96**	**8,637.55**	**11,372.24**
EXPENDITURE					
Raw Material & Packing Material Consumed	2,364.74	2,598.76	4,316.38	5,593.92	7,167.89
Staff Costs	64.88	68.28	86.20	138.58	201.65
Manufacturing Expenses	463.00	463.34	999.77	1,539.71	2,005.28
Administrative & Selling Expenses	1,129.16	1,609.90	1,413.12	499.90	423.34
Interest & Financial Charges	5.25	7.78	20.24	40.29	53.29
Depreciation	115.22	115.11	118.71	205.37	273.83
Preliminary/Deferred revenue Expenses Written Off	0.51	0.66	0.57	0.22	22.30
TOTAL EXPENDITURE (B)	**4,142.76**	**4,863.83**	**6,954.99**	**8,017.99**	**10,147.58**
Net Profit before tax and extra-ordinary items. (A-B)	**16.65**	**43.94**	**67.97**	**619.56**	**1,224.66**
Add: Income Tax Refund / MAT credit entitlement	**-**	**-**	**-**	**-**	**29.99**
Less:					
Provision for Current Tax	-	-	3.74	51.90	220.00
Provision for Deferred Tax	-	25.13	39.65	41.01	165.55
Income Tax/Exp. for Earlier Year/FBT	9.94	0.80	0.64	2.77	3.58
Net Profit After Tax and Extra-Ordinary items	**6.71**	**18.01**	**23.94**	**523.88**	**865.52**

iv. 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.: (011) 41628325/26836394
Fax: (011) 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:

- Unit I : Village Shyampur,
  Tehsil Behror
  District Alwar – 301 701
  Rajasthan

- Unit II: 4 KM, Chulkana Road
  Samalkha – 132 101
  District Panipat
  Haryana

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 & Independent Director
Mr. Joginder Singh Dhamija	Director	Non Executive & Independent Director
Mr. Santosh Kumar Biswal	Director	Non Executive & Independent Director

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

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

Mr. Gautam Premnath Khandelwal, aged 45 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 beome 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. 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 48 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 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 61, 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 51 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 rich 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 52 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 Rajasthan.

For more details on the Board of Directors, please refer to the section titled "Management and Organisation" beginning from page no. 102 of this Draft 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.: (011) 41628325/26836394
Fax: (011) 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: +91-33-39873810/39873845
Fax: +91-33-39873861/39873863
Contact Person: Mr. Ashok Pareek
E-Mail: capital@srei.com
Website: www.srei.com
SEBI Registration No.: INM 000003762

REGISTRAR TO THE ISSUE

INTIME SPECTRUM REGISTRY 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. Vishwas Attawar
E-mail: globus.ipo@intimespectrum.com
Website: www.intimespectrum.com
SEBI Regn. No.: INR 000003761

BANKERS TO THE ISSUE & ESCROW COLLECTION BANKS

[•]

STATUTORY AUDITORS TO THE COMPANY

M/s B.M. Chatrath & Co.
Chartered Accountants
22, Jungpura-A
New Delhi - 110 014
Tel.: +91-11-2437 2855/2437 8069
Fax: +91-11-2437 1090
E-mail: bmcdelhi@satyam.net.in

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

Since SREI Capital Markets Limited is the sole BRLM for this Offer, the entire Offer related activities are handled by SREI.

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
901 & 902, 9th Floor
Shubham Building
1, Sarojini Naidu Sarani (formerly Rawdon Street)
Kolkata – 700 017
Tel.: +91-33-2283 1800/2283 1803
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 as [•] indicating [•] pursuant to Clauses 2.5A, 5.6B, 6.17.3A of the SEBI DIP Guidelines. The grade and the rationale furnished by the credit rating agency for its grading will be updated at the time of filing the Red Herring Prospectus with the RoC.

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 Manager being SREI
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 BRLM;

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 upto 50% of the issue size shall be allocated on a proportionate basis to QIBs out of which 5% shall be allocated to Mutual Funds on a proportionate basis. Further, not less than 15% of the issue size be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the issue size 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 as the BRLM to the Issue, to manage the Issue and procure subscription to the Issue.

Pursuant to amendments to the SEBI 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 "Terms of the Issue" on page nos. 32-33 and 202-203 of this Draft 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 managers, 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. 205 of this Draft Red Herring Prospectus;
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form.
- If your Bid is for Rs. 50,000 or more, ensure that you have mentioned your PAN and attached copy of your PAN card to the Bid cum Application Form see section titled "Issue Procedure -'PAN' or 'GIR' Number" beginning on page no. 224 of this Draft Red Herring Prospectus); and
- Ensure that the Bid cum Application Form is duly completed as per instructions given in the Draft Red Herring Prospectus and in the Bid cum Application Form.

Bid/Issue program

Bidding period/Issue period

Bid/Issue opens on: **[•]**
Bid/Issue closes on: **[•]**

Bids and any revision in Bids shall be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form except that on the Bid/Issue Closing Date, the Bids shall be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until such time as permitted by the BSE and the NSE on the Bid/Issue Closing Date.

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 BRLM 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, Globus 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 BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill 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). The above Underwriting Agreement has been accepted by the Board of Globus Spirits Limited at their meeting held on **[●]** on behalf of Globus, and Globus has issued letters of acceptance to the Underwriters.

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.

vi. CAPITAL STRUCTURE OF THE COMPANY

Share capital as on the date of filing of the Draft 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** 1,17,57,741 Equity Shares of Rs. 10/- each fully paid up	11,75,77,410	
C.	**Present Issue to the Public in terms of this Draft Red Herring Prospectus** **Fresh Issue of:** **[•]** Equity shares of Rs. 10/- each	**[•]**	68,00,00,000
D.	**Paid Up Share Capital After the Issue** **[•]** Equity shares of Rs. 10/- each	**[•]**	**[•]**
E.	**Share Premium Account**		
	Before the Issue	1,05,00,000	
	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 Company is exploring the possibility of issuing Equity Shares to certain investors including domestic venture capital funds. The Company would be completing the issuance of such Equity Shares ("**Pre-IPO Placement**"), if any, prior to filing the Red Herring Prospectus with the ROC. If the Pre-IPO Placement is successfully completed, the number of Equity Shares issued for such purpose, will be reduced from the Net Issue to the Public.

The Authorised 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	11,80,070	1,18,00,700	-
20.8.1993	3,20,000	10	10	Cash	Further Allotment	15,00,070	1,50,00,700	-
30.12.1993	1,10,000	10	10	Cash	Further Allotment	16,10,070	1,61,00,700	-
31.12.1993	3,00,000	10	10	Cash	Further Allotment	19,10,070	1,91,00,700	-
7.2.1994	2,00,000	10	10	Cash	Further Allotment	21,10,070	2,11,00,700	-
8.3.1994	1,15,000	10	10	Cash	Further Allotment	22,25,070	2,22,50,700	-
15.7.1994	2,75,000	10	10	Cash	Further Allotment	25,00,070	2,50,00,700	-
27.2.1995 $	2,11,641	10	47.25	Cash	Further Allotment	27,11,711	2,71,17,110	78,83,627.25
17.4.1995 $	2,11,640	10	47.25	Cash	Further Allotment	29,23,351	2,92,33,510	1,57,67,217.25
9.6.1995 $	21,000	10	47.25	Cash	Further Allotment	29,44,351	2,94,43,510	1,65,49,467.25
21.8.1995	2,50,000	10	47.25	Cash	Further Allotment	31,94,351	3,19,43,510	2,58,61,967.25
11.9.1995	3,00,419	10	47.25	Cash	Further Allotment	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	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
TOTAL	**1,17,57,741**							

* 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 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/-	96.68%	**[•]**
	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**				

** - Percentage of post-issue shareholding will be determined after the book-building process.*

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 Locked In	Lock-in Period
Chand Bagh Investments Limited	**[•]**	**[•]**	**[•]**	10	**[•]**		
	Total		**[•]**			**20.00%**	3 Years

Total of **[•]** Equity Shares locked in for 3 years, and the balance **[•]** Equity Shares locked in for 1 year.

1. Out of the total Promoters' holding, 20% of the Post-Issue Equity Share Capital i.e., **[•]** 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., **[•]** 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 will not be participating in the proposed issue.

2. In terms of Clause 4.13.1 of the SEBI DIP Guidelines, the lock-in shares mentioned above has been arrived on the basis of 'Issued Last, Locked First'. The promoters have given a written undertaking that these shares shall not be transferred except inter se transfer as per the SEBI guidelines.

3. 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. However, in terms of Clause 4.14.2 sub-clause (i) of the SEBI DIP Guidelines, the above lock-in requirement of Clause 4.14.1 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.

4. Locked-in Equity Shares held by the Promoter can be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions. In terms of Clause 4.16(b) of the SEBI Guidelines, 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.

5. Further, in terms of Clause 4.16(a) of the SEBI Guidelines, 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.

6. 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.

7. 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.

8. **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	96.68%	1,13,67,510	[•]
Sub Total (a)	**1,13,67,510**	**96.68%**	**1,13,67,510**	**[•]**
Promoters' Group	-	**-**	-	**-**
Sub Total (b)	-	**-**	-	**-**
Shareholding of Promoters' & Promoters Group (a+b)	**1,13,67,510**	**96.68%**	**[•]**	**[•]**

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

Sr. No.	**Category**	**Pre – Issue**		**Post – Issue #**	
		Number of Shares	**%age Holding**	**Number of Shares**	**%age Holding**
1.	**Promoters:**				
(i)	Indian	1,13,67,510	96.68%	1,13,67,510	[•]
(ii)	Foreign	-	-	-	-
2.	**Promoters' Group:**	-	-	-	-
	Total shares of Promoter & Promoter group (A)	**1,13,67,510**	**96.68%**	**1,13,67,510**	**[•]**
3.	**Non Promoters:**				
(i)	Foreign Institutional Investors	-	-	[•]	[•]
(ii)	Financial Institutions	-	-	[•]	[•]
(iii)	NRI & OCB	-	-	[•]	[•]
(iv)	Employees	33	0.0003%	* 33	[•]
(v)	Public	-		-	[•]
(vi)	Friends & Associates	2,25,198	1.92%	* 2,25,198	[•]
(vii)	Other Bodies Corporate	1,65,000	1.40%	* 1,65,000	[•]
(viii)	Public Issue ##	-	-	[•]	[•]
	Total Shares of Non Promoters (B)	**3,90,231**	**3.32%**	**[•]**	[•]
	Total (A + B)	**1,17,57,741**	**100.00%**	**[•]**	**100.00%**

* *Assuming that the number of shares held by these categories prior to the Issue remains the same.*

\# *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.*

10. **Equity Shares held by top 10 Shareholders**

a. Top ten shareholders as on the date of filing of this Draft 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	96.68
2.	Mr. 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.	Mr. Rajesh Kumar	18	0.0002
10.	Mr. Anil K Garg	15	0.0001
	Mr. Saran Singh	15	0.0001
	Total	**1,17,57,741**	**100.00**

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

b. Top ten shareholders 10 days prior to the date of filing of this Draft Red Herring Prospectus with the 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	96.68
2.	Mr. 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.	Mr. Rajesh Kumar	18	0.0002
10.	Mr. Anil K Garg	15	0.0001
	Mr. Saran Singh	15	0.0001
	Total	**1,17,57,741**	**100.00**

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

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

Sl. No.	Name of the Shareholder	Number of Shares	* % of Issued capital
1.	M/s Chand Bagh Investments Ltd.	57,77,300	75.14
2.	M/s SRF Transnational Holdings Ltd.	12,03,300	15.65
3.	M/s Transglobal Resources Ltd.	4,40,000	5.72
4.	M/s Haryana Financial Corporation	1,11,540	1.45
5.	M/s Tinna Finex Ltd.	1,10,000	1.43
6.	M/s B R S Investments Consultants	46,200	0.60
7.	Mr. Rajat Sangal	34	0.0004
8.	Mr. Gautam Khandelwal	22	0.0003
9.	Mr. Ashok Kumar	22	0.0003
10.	Mr. Amitabh Sangal	22	0.0003
	Total	**76,88,440**	**99.99**

* Issued Capital here represents 76,88,494 Equity Shares

11. Equity Shares sold or purchased by the Promoter and the Promoters' Group during the period of six months preceding the date on which this Draft Red Herring Prospectus is filed with SEBI:

Name of Promoter	Date on which Shares Purchased/ Sold	Number of Shares	Consideration	Purchase/ Sale Price per share (Rs.)
Chand Bagh Investments Limited	26.2.2007	46,200	Purchased	40
Chand Bagh Investments Limited	15.3.2007	1,11,540	Purchased	32

12. The Company, its Promoters, Directors and/or the BRLM of the Issue have not entered into any 'buy-back' or 'standby' arrangement for purchase of the Equity Shares being offered through this Draft Red Herring Prospectus.

13. 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.

14. The Company has not raised any bridge loan from any Bank against the proceeds of this Issue.

15. There are no partly paid up Equity Shares as on the date of Draft Red Herring Prospectus.

16. The Equity Shares offered through the Issue will be fully paid up, and hence there shall be no partly paid shares in this issue.

17. 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.

18. The Issue is being made through the 100% Book Building Process wherein up to 50% of the Issue size 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 Issue size would be allocated to Non-Institutional Bidders and not less than 35% of the Issue size 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.

19. 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.

20. 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. 226 of this Draft Red Herring Prospectus.

21. Subject to Pre-IPO placement if any, 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 Draft Red Herring Prospectus with SEBI until the Equity Shares to be issued pursuant to the Issue have been listed.

22. Subject to Pre-IPO placement if any, 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 Draft 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.

23. On the date of filing the Draft 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.

24. 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, out of general reserves and share premium account.
    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, out of reserves.

25. The Company has not issued any Equity shares for consideration other than cash.

26. The Company has not offered any Employees Stock Option Scheme or Employees Stock Purchase Scheme for its employees.

27. 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.

28. The Company has a total of 11 Equity shareholders as on July 11, 2007.

vii. 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.
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. 7641 lakhs. The various components of the cost of the Project as per the Revised Financial Appraisal Report dated May 9, 2007 of State Bank of India, Industrial Finance Branch, Credit Division, Jawahar Vyapar Bhawan, 14th Floor, 1, Tolstoy Marg, New Delhi – 110 001 is as under:

COST OF PROJECT (As per Appraisal of SBI):

Rs. in lakhs

Sl. No.	P A R T I C U L A R S	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	1916
6.	Acquisition of Canteen Stores Department (CSD) registered IMFL Brands	300
7.	IMFL Bottling Section at Samalkha Unit.	262
8.	Miscellaneous Civil Structures	40
	TOTAL	**7641**

The total expense for the expansion cum modernization project was initially estimated at Rs. 4976 lakhs by the State Bank of India (SBI) vide its first Financial Appraisal letter no. IFB/CREDIT/06-07/249 dated 15.2.2007. The Company later decided to wide the scope of its expansion-sum-modernization project by setting up a new 35 KLPD Grain-based distillation facility at its Samalkha plant in Haryana. Consequently, the total Project cost was revised by the Bank to Rs. 7641 lakhs (net of Public Issue Expenses) vide its Financial Appraisal letter no. IFB/CREDIT/07-08/306 and IFB/CREDIT/2007-08/307 both dated 9.5.2007. SBI has, vide its above letter no. IFB/CREDIT/07-08/306 estimated the public issue expenses at Rs. 612 lakhs approximately.

TOTAL FUND REQUIREMENT:

Rs. in lakhs

Sl. No.	**Particulars**	**Amount**
1.	Project Cost	7641
2.	Public Issue Expenses	612
	TOTAL	**8253**

MEANS OF FINANCING

As per the Financial Appraisal Letter of SBI dated 9.5.2007, 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 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	253
C.	Public Issue of Equity Shares	6800
D.	**TOTAL FUNDS RAISED**	**8253**

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.

APPRAISAL

The project has been financially appraised by State Bank of India as per their Letter No. IFB/CREDIT/06-07/249 dated 15.2.2007. The same was subsequently revised vide its letter IFB/CREDIT/07-08/306 dated 9.5.2007 on account of the Company's decision to set up a new 35 KLPD Grain-based distillation facility at its Samalkha Unit in Haryana.

State Bank of India has sanctioned a sum of Rs. 1200 lakhs for the Project vide its letter no. IFB/CREDIT/2006-07/244 dated 9.2.2007 and IFB/CREDIT/07-08/306 dated 9.5.2007.

As per SBI's internal assessment, the Company has been rated SB-2 based on its audited financials of March 2006, which denotes satisfactory financial position.

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.

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/2006-07/244 dated 9.2.2007 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	**Primary:** 1st charge on all fixed assets, including EM of two factory land and buildings. Inclusive of EM of Factory land & building at: • Samalkha, Haryana. • Behror, Rajasthan. **Collateral:** Extension of charge on all current assets of the Company. **Personal Guarantee:** Mr. Madhav Kumar Swarup Mr. Ajay Kumar Swarup **Corporate Guarantee:** M/s Chand Bagh Investments Ltd.
Rate of Interest	0.50% below SBAR, i.e., presently 11.00% p.a. at monthly rests (with reset clause at 2 years' interval).
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.
Commitment Fee	1.00 % for delayed draw down beyond 2 months.
Repayment Schedule	16 quarterly instalments of Rs. 75 lakhs each, commencing from March 2008 and ending in December' 2011.
Prepayment charges	2.00% of the prepaid amount.
Critical Condition	Term Loan would be disbursed only after all documentation / EM formalities are in place. 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. The proposed Term Loan is to be utilized positively by November, 2007.

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 revised Financial Appraisal of State Bank of India dated May 9, 2007)*

Details of Project Cost:

A. Multi-Pressure Distillation Section

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 Bardhan 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 Bardhan 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, followed by letter no. BDN:HMT:GSL:382 dated June 11, 2007 confirming the validity of the Quotation and validity of the commercial terms, and letter no. BD:HMT:GSL:383 dated 12.6.2007 extending the validity of the quotation by 90 days including the commercial terms.

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, Saccarification cum Fermentation, Wash To ENA Multipressure Distillation along with Auxiliaries, Electrical, Instrumentation and Installation/Erection.	1	1260	PRAJ Industries Ltd. PRAJ House Bardhan 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	- do -
	Spirit Receiver And Storage Section For 30 Days	-	90	- do -

	Plant Electrification Comprising Of HT/LT Substation, 4 P Transformer, Power Control Center, DG Sets, Cabling, Plant & Yard Lighting, Earthing etc.	-	80	- do -
	Buildings, Civil & Structural Work for Complete Distillery: Main Plant, Effluent Treatment, Administration Building, Roads, Land Development	-	425	
	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 followed by revised Quotation no. BDN:HMT:GSL:382 dated June 11, 2007 confirming the validity of the Quotation and validity of the commercial terms, and letter no. BD:HMT:GSL:383 dated 12.6.2007 extending the validity of the quotation by 90 days including the commercial terms.

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 Bardhan 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 followed by letter no. BDN:HMT:GSL:382 dated June 11, 2007 confirming the validity of the Quotation and validity of the commercial terms, and letter no. BD:HMT:GSL:383 dated 12.6.2007 extending the validity of the quotation by 90 days including the commercial terms.

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	-	60	Elina Solutions Pvt. Ltd. 'Nakshtra' Plot No. 84, Bhusari Colony Near Kurtkoti Nursing Home Paud Road Kothrud Pune – 411 038.
	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 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, Expoxy on Internal Surfaces, M.S. Piping & Cooling Coil and Painting on External Surfaces for the balance from Structures & Foundations Pvt. Ltd. N-3, Ground Floor Kalkaji, New Delhi – 110 019.

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. Cheema Boilers Limited vide its letter dated June 14, 2007 extended the validity of their Quotation by another 90 days.

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	Structures & Foundations Pvt. Ltd. N-3, Ground Floor Kalkaji New Delhi
	Erection of Turbines	-	40	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. KESSELS has vide its letter no. KESSELS/STG/Q-GAL/2007/159/02 dated June 12, 2007 extended the validity of their Quotation up to September 26, 2007.

Quotation 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.

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 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, which is 12.36% currently.

E. Brand Development For Marketing Of IMFL Brands

The Company has plans to enter the IMFL market by launching 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. 1916 lakhs as under:

Rs. in lakhs

S.No.	State / Union Territories	Licences / Brands	Brand Promotion	Initial Funding for operations	Total
i.	Haryana	2	326	104	**432**
ii.	Punjab	4	162	40	**206**
iii.	Chandigarh	3	122	30	**155**
iv.	Uttar Pradesh	8	252	74	**334**
v.	Uttaranchal	4	142	29	**175**
vi.	Rajasthan	1	167	30	**198**
vii.	Kerala	3	118	22	**143**
viii.	Karnataka	5	85	16	**106**
ix.	Andhra Pradesh	6	88	18	**112**
x.	Pondicherry	1	45	9	**55**
	Total	**37**	**1507**	**372**	**1916**

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.

G. IMFL Bottling Section

Rs. in lakhs

Sl. No	Item of Assets / Machinery	Qty.	Cost	Supplier
1.	Civil Structure			Structures & Foundations Pvt. Ltd. N-3, Ground Floor Kalkaji New Delhi – 110 019
	Civil Work – 1872 Sq.m		51.00	
	Cement		13.00	
	Tor Steel		11.50	
	Structural Steel		11.50	
	Colour Coated Metallic Sheets		10.80	
	False Ceiling		5.50	
	Aluminium Doors & Windows		4.00	
	Sub-Total		**107.30**	
	Air Cooling / LT Panel / Electrical Lighting / SS & MS Piping	-	28.00	

	SS Blending Tanks 27 KL x 10 Nos. @ Rs. 5.50 lakhs each	10	55.00	
	Semi Automatic SS Bottling Conveyor 4 Nos. @ Rs. 18 lakhs each	4	72.00	
	Total		**262.30**	
	Total, Say		**262.00**	

Quotation No. S&FPL:06:HO:214 dated December 30, 2006 of M/s Structures and Foundations Private Limited, Ground Floor, N-3, Kalkaji, New Delhi – 110 019.

H. MISCELLANEOUS ITEMS

(Rs. in lakhs)

Sl. No	Item of Assets / Machinery	Qty.		Cost	Supplier
1.	Miscellaneous Civil Structures	-			Structures & Foundations Pvt. Ltd. N-3, Ground Floor Kalkaji New Delhi
	(Road Work & Drain)				
i.	WBM 110 thick	4000 m2	140 m2	5.60	
ii.	R.C.C. M-25	4000 m2	195 m2	7.80	
iii.	V.D. Flooring	4000 m2	55 m2	2.20	
iv.	Excavation	400 m3	65 m3	0.26	
v.	P.C.C. 1:4:8	50 m3	1600 m3	0.80	
vi.	Brick Work	140 m3	1650 m3	2.31	
vii.	Plaster	800 m2	60 m2	0.48	
viii.	Precast Slab	500 rmt	150 rmt	0.75	
ix.	Cement	4500 bag	225 bag	10.12	
x.	Tor Steel	25 Ton	35,000 mt	8.75	
xi.	Landscaping	1 Nos.	L/S	1.00	
	Total			**40.07**	
	Total, Say			**40.00**	

Quotation 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.

I. PUBLIC ISSUE EXPENSES:

The expenses for this issue includes management fees, 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 total expenses for this issue have been estimated at Rs. 612 lakhs by SBI in its appraisal.

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	7641
B	Public Issue Expenses	612
C	Total Means of finance required	**8253**
I	Amount to be raised through Public Issue	6800
II	Term Loans from Banks	1200
III	Internal Accruals	253

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 project implementation schedule has been drawn up to maintain a strict time schedule.

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	February, 2008
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 in Haryana.	May 2007	March, 2008
3.	Capacity expansion of Total Spirit-based Starch Liquefaction section from 60 KLPD to 75 KLPD with modernization.	May, 2007	November, 2007
4.	Installation of a High-Pressure Boiler, which would use Biogas and Biomass as fuel.	January, 2007	December, 2007
5.	Back–Pressure Turbine	May, 2007	February, 2008
6.	GHG Abatement project under the clean development mechanism (CDM) of the Kyoto Protocol	November, 2006	January, 2008
7.	Brand promotion & IMFL launch operations in North & South India	December, 2006	March, 2008
8.	Acquisition of CSD registered IMFL brands	August, 2007	January, 2008
9.	IMFL Bottling Section	January, 2007	March, 2008
10.	Civil & Structural	May, 2007	February, 2008

The Company intends to have its commercial production of the project at Behror Unit in March, 2008; and of the project at Samlakha Unit in April, 2008.

The Year wise breakup of proposed deployment of funds (inclusive of Term Loans and IPO proceeds, but excluding Public Issue expenses) **is mentioned hereunder:**

(**Rs. in lakhs)**

Sl. No.	Particulars	Cost of Project	2007-08	2007-08
1.	35 KLPD Grain-based Distillation Plant, Behror Unit, Rajasthan	676	9.51	666.49
2.	35 KLPD Grain-based Distillation plant at Samalkha Unit, Haryana	2665	26.38	2638.62
3.	Total Spirit-based Starch Liquefaction plant-capacity expansion by 15 KLPD	333	-	333.00
4.	Fermentation & Modification work in existing Grain-based Distillery	66	18.18	47.82

5.	20 TPH, 45 Kg/cm2 (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	3.19	11.81
8.	Brand Promotion & IMFL launch in North & South India	1916	110.46	1805.54
9.	Acquisition of CSD registered IMFL brands	300	-	300.00
10.	IMFL Bottling Section	262	98.71	163.29
11.	Civil & Structurals	40	14.54	25.46
12.	IPO Expenses	612	6.44	605.56
	TOTAL	**8253**	**287.41**	**7965.59**

(As per Management Estimates)

FUNDS DEPLOYED

As per the certificate dated June 25, 2007 issued by M/s B.M. Chatrath & Co., Chartered Accountants, the Company incurred the following expenditure towards the objects of the issue and, the sources of finance for the same is given below:

(**Rs. in lakhs)**

Sl.No	Particulars	Cost Incurred
1.	IMFL Brand Promotion and launch in North and South India	198.81
2.	IMFL Bottling Section	127.90
3.	Fermentation Modification work	26.14
4.	Grain-based Distillery, Haryana	26.38
5.	Civil and Structurals	22.88
6.	35 KLPD Grain plant, Behror Unit	9.51
7.	GHG Abatement project	3.20
8.	IPO Expenses	36.18
	TOTAL	**451.00**

SOURCES OF FINANCING OF FUNDS ALREADY DEPLOYED:

The above funds have been deployed from the following sources:

1) Internal accruals 451.00 lakhs

TOTAL **451.00 lakhs**

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 any use as described above, the proceeds of the issue shall be invested in high quality interest/ dividend bearing short term/ long term liquid instruments including deposits with banks for the necessary duration. The Company may also use the same to fund its working capital requirement on a temporary basis. These investments would be authorized by the Company's Board or duly authorized committee thereof.

viii. 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 Draft 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 **[•]** Equity Shares of Rs. 10/- each for cash at a price of Rs. **[•]** per Equity Share for cash aggregating Rs. 6800 Lakhs being made through a 100% book building process.

Details of the issue structure is tabulated below:

Particulars	QIBs	Non Institutional Bidders	Retail Bidders
Number of Equity Shares (Available for allocation) *	Up to **[•]** equity shares	Not less than **[•]** equity shares	Not less than **[•]** equity shares
Percentage of Issue size available for allocation	Up to 50% of the Issue size shall be available for QIBs out of which 5% shall be available for Mutual Funds	Not less than 15% of the Issue size	Not less than 35% of the Issue size
Basis of Allocation or Allotment if Respective category is Oversubscribed (Subject to sectoral cap and specified investment limits)	Proportionate	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of **[•]** equity shares thereafter	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of **[•]** equity shares thereafter	**[•]** Equity Shares and thereafter in multiples of **[•]** thereafter
Maximum Bid	Not exceeding the Issue size subject to regulations as applicable to the Bidders	Not exceeding the Issue size subject to regulations as applicable to the Bidders	Such number of Equity Shares so as to ensure that whereby 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
Trading Lot/ Market Lot	One Equity Share	One Equity Share	One Equity Share
Bidding Lot	**[•]** Equity Shares and thereafter in multiples of **[•]**	**[•]** Equity Shares and thereafter in multiples of **[•]**	**[•]** Equity Shares and thereafter in multiples of **[•]**
Who can apply **	Public financial institutions as specified in Section 4A of the Companies Act, FIIs registered with SEBI, scheduled	Companies, Corporate Bodies, Scientific Institutions Societies and Trusts Resident Indian individuals, HUF (in the	Resident Indian Individuals, HUF(in the name of the Karta) and eligible NRIs applying for an amount up to Rs.1, 00,000.

	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 Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 2,500 Lakhs and pension funds with minimum corpus of Rs. 2,500 Lakhs in accordance with applicable law.	name of Karta) and NRIs (applying for an amount exceeding Rs.1, 00,000)	
Terms of Payment	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	Margin Amount of at least 10% at the time of submission of Bid cum Application Form to the members of the Syndicate	Full Bid Amount at the time of submission of Bid cum Application Form to the members of the Syndicate	Full Bid Amount at the time of submission of Bid cum Application Form to the members of the Syndicate

* 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 BRLM.

** In case the Bid-cum-Application 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.

ix. BASIS FOR ISSUE PRICE

The Issue Price will be determined by the Company in consultation with the BRLM 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 **[●]** times the face value of the Equity Shares at the lower end of the price band and **[●]** 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. x and 130 respectively of this Draft Red Herring Prospectus, and other details about the Company included in the section entitled "Brief History of the Company and Other Corporate Matters" beginning on page no. 98 of this Draft 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 14 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 and IMFL business with steady growth and production of high quality liquor.
4. The Company has a brand portfolio of its own in the Country Liquor segment, and caters to reputed Indian brands in the IMFL segment.
5. The Promoter has over 23 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 resulting in uninterrupted power supply at low cost.
7. As per SBI's internal assessment, the Company has been rated SB-2 based on its audited financials of March 2006, which denotes satisfactory financial position.
8. The Company has a healthy balance sheet which supports its expansion and modernization programme.
9. Professionally managed by a team of qualified professionals.
10. Strong market share:
    In the Country Liquor segment, the Company is one of the leading suppliers having 23.04% market share in the state of Rajasthan for the Financial Year 2006-07. *(Source: Asst. Excise Officer, Excise Department, Behror, Rajasthan).*

    In the state of Haryana, the market share of the Company is 16.24% for the Financial Year 2006-07. *(Source: Excise & Taxation Officer, Excise Department, Samalkha, Haryana).*

    In the state of Delhi, the Company has a share of 26% in the total procurement of Country Liquor by the State Government of Delhi. *(Source: Acceptance of Tender of Country Liquor vide letter no. F.1(80)/Ex/CL/06-07/342 dated 23.2.2007 of Collector of Excise, Office of the Commissioner of Excise, Entertainment & Luxury Tax, Delhi).*

QUANTITATIVE FACTORS *(From Audited Restated Financial Statements)*

1. **Adjusted Earning Per Share (EPS)**

Year	EPS (Rs.)	Weight
2004-05	0.31	1
2005-06	6.81	2
2006-07	11.25	3
Weighted Average	**7.95**	

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.

b. 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, 2005, 2006 and 2007 respectively.

2. **Price Earnings (P/E) Ratio in relation to Issue Price of Rs.**

a. Based on results for Financial Year ended March 31, 2007, EPS is Rs. 11.25	**[•]**
b. Based on weighted average, the EPS is Rs. 7.95	**[•]**

Breweries & Distilleries Industry P/E (*)	
Highest (United Breweries)	97.5
Lowest (Tilaknagar Industries)	6.5
Industry Composite	41.8

(*) – Source: Capital Market – July 2-15, 2007 Vol XXII/09; Breweries & Distilleries Industry

3. **Average Return on Net Worth** ("RoNW")

Year	**RONW (%)**	**Weight**
2004-05	2.06	1
2005-06	31.12	2
2006-07	33.95	3
Weighted Average	**27.69**	

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. 7.95	**[•]**

5. **Net Asset Value (NAV) per Share (Rs.)**

(a) As at 31.3.2007	33.16
(b) After Issue	**[•]**
(c) Issue Price	**[•]**

P/E considered only for Companies, which are actively in business in the said sector.

Notes:

a. 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.

b. The denominator considered for the purpose of calculating Earnings per Share is the average number of Equity Shares outstanding during the year.

c. 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.

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 is as follows:

Peer Companies @	Equity Capital (Rs. Cr)	Sales (Rs. Cr)	BV	EPS (Rs) $	P/E #	RONW In %
Jagatjit Industries	51.94	310.1	39.5	2.3	30.3	3.3
Radico Khaitan	19.29	491.9	13.8	4.4	32.7	39.0
Khoday India	37.65	78.1	26.1	3.1	29.6	14.8
Pioneer Distilleries	10.61	40.4	10.7	3.1	9.3	-
Radico Khaitan	19.29	491.9	13.8	4.4	32.0	39.0
Shaw Wallace	48.01	140.3	23.6	14.5	18.0	-
Tilaknagar Industries	5.73	90.8	34.0	15.1	6.5	7.8
United Spirits	95.36	2711.9	150.5	29.7	40.5	5.2
Globus Spirits Limited	7.69	116.67	33.16	11.25	[•]	33.95

$ - Based on Trailing Twelve Months EPS.
 # - P/E based on Market Price of 25.6.2007.
@ - Figures for Globus Spirits are audited figures for year ending March 2007; In case of Jagatjit Industries and Pioneer Distilleries, audited figures are for year ending March 2006; figures for Khoday India, Shaw Wallace, Tilaknagar Industries and United Spirits are Unaudited for year ending March 2007.
(*)-Source: Capital Market – July 2-15, 2007 Vol XXII/09; Breweries & Distilleries Industry

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. x of the Draft 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. 130 of the Draft Red Herring Prospectus to have a more informed view of the investment proposition.

x. 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 the 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 is 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 of 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

Place: New Delhi
Date : 8.6.2007

ANNEXURE REFERRED TO IN OUR REPORT DATED

The following tax benefits shall be available to the Company and the prospective shareholders:

I. Under the Income Tax Act, 1961 (the Act)

A. To the Company

1. The Company is eligible under section 35D of the Income Tax Act, 1961 to a deduction equal to one-fifth of certain specified expenditure, including specified expenditure incurred in connection with the issue for the extension of the industrial undertaking, for a period of five successive years subject to the limits provided and conditions specified under the said section.

2. The Company would be eligible for depreciation @ 15% on the cost of Plant & Machinery as per the provisions of Income Tax Act, 1961. Further the Company would be entitled to depreciation @ 80% of the cost of Plant & Machinery in the nature of energy saving devices and would be entitled to depreciation on its other assets as per Rule 5 of the Income Tax Rules, 1962.

3. 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 precious year ending on or after 31.03.2006 subject to the fulfillment of other conditions specified under the said section.

4. Under Section 115 JAA (1A) of the Income Tax Act, 1961 tax credit shall be allowed of any tax paid (MAT) under section 115JB of the Act for any Assessment Year commencing on or after April 1, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Income Tax Act. Such MAT credit shall not be available for set-off beyond 5 years succeeding the year in which the MAT credit initially arose.

B. To the Members

1. Resident Members

1.1 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.

1.2 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.

1.3 Under Section 111A of the Act, capital gains arising from transfer of short term capital assets, being an equity shares in a company, which is subject to securities transaction tax will be taxable under the Act @ 10% (plus applicable surcharge and educational cess).

1.4 Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains [not covered under Section 10 (38) of the Act] arising on transfer of shares in the Company, if shares are held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus applicable surcharge and educational cess on income tax) after indexation as provided in the second proviso to section 48 or at 10% (plus applicable surcharge and educational cess on income tax) (without indexation), at the option of the Shareholders.

1.5 Under Section 54EC of the Act, capital gain arising form transfer of long term capital assets (other than those exempt U/s 10 (38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds issued by-

National Bank for Agriculture and Rural Development established under Section 3 of the National Bank for Agriculture and Rural Development Act, 1981;

National Highways Authority of India constituted under Section 3 of National Highways Authority of India Act, 1988.

Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

National Housing Bank established under Section 3(1) of the National Housing Bank Act, 1987; and

Small Industries Development Bank of India established under Section 3(1) of the Small Industries Development Bank of India Act, 1989.

If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new bonds are transferred or converted into money within three years from the date of their acquisition.

1.6 Under Section 54 ED of the Act, capital gain arising from transfer of long term capital assets, being listed securities or units [other than those exempt U/s 10 (38), shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain is invested in public issue of equity shares issue by of an Indian Public Company within a period of six months form the date of such transfer. If only a part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new equity shares are transferred or converted into money within one year from the date of their acquisition.

1.7 In terms of Section 88 E of the Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of the business would be eligible for rebate from the amount of income tax on the income chargeable under the head 'Profits and Gains under Business or Profession' arising from taxable securities transactions.

1.8 Under Section 54F of the Act, where in the case of an individual or HUF capital gain arise from transfer of long term assets [other than a residential house and those exempt U/s 10 (38) then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.

2. Non-Resident Indians

2.1 Any income by way of dividends received on the shares of the company is entitled to be exemption U/s 10 (34) of the Income Tax Act, 1961.

2.2 In the case of Non Resident Indians taxability of long-term capital gains and short-term capital gains is similar to resident Indians. Refer paras B.1.2 to B.1.7 above.

2.3 Further under section 115 E of the Income Tax Act, 1961 income by way of long term capital gains arising from the transfer of shares (otherwise than as mentioned in paras B.1.2 and B.1.4) held in the company will be taxable @ 10% (plus applicable surcharge and education cess) subject to the fulfillment of other conditions specified under Chapter XII-A of the Income Tax Act, 1961. Further above said long term capital gains shall be exempt under section 115 F of the Income Tax Act, 1961 subject to the fulfillment of other conditions specified under the said section.

2.4 Rebate of Securities Transaction Tax Paid is available under section 88 E of the Income Tax Act, 1961. Refer para B.1.7 above.

3. Foreign Institutional Investors (FII)

3.1 Any income by way of dividends received on the shares of the company is entitled to be exempted U/s 10 (34) of the Income Tax Act, 1961.

3.2 Under Section 10 (38) of the Income Tax Act, 1961 long term capital gains arising to the shareholder from transfer of a long term capital asset being an equity share in the company (i.e. equity shares held for the period of more than twelve months) and on which security transaction tax has been charged is exempt.

3.3 Under Section 115AD(1)(iii) of the Income Tax Act, 1961 income by way of long term capita gain arising from the transfer of shares (otherwise than as mentioned in 3.2 above) held in the company will be taxable @ 10% (plus applicable surcharge and education cess). It is to be noted that the benefits of indexation are not available to FIIs.

3.4 Short term capital gains on transfer of securities shall be chargeable @ 30% / 10% (plus applicable surcharge and education cess) as per clause (ii) to Section 115AD of the Income Tax Act, 1961.

3.5 Long term capital gains as stated in point 3.3 above on sale of shares of the company shall be exempt from income tax if such gains are invested in bonds/shares specified in section 54EC or section 54ED of the Income Tax Act, 1961 subject to the fulfillment of the conditions specified in the said sections.

4. Venture Capital Companies / Funds

In terms of section 10 (23FB) of the Income Tax Act, 1961 all venture capital companies / funds registered with Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on all their income, including income from sale of shares of the company.

II. Under the Wealth Tax Act, 1957

Shares in a company held by a shareholder will not be treated as an asset within the meaning of Section 2(ea) of Wealth Tax Act, 1957; hence, wealth tax is not leviable on shares held in a company.

III. 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 fulfillment of the conditions specified.

Notes

i. All the above benefits are as per the current tax law and will be available only to the sole / first named holder in case the shares are held by joint holders.

ii. In view of the individual nature of tax consequence, each investor is advised to consult his / her own tax adviser with respect to specific tax consequences of his / her participation in the scheme.

iii. In respect of non-residents, taxability of capital gains 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.

SECTION IV: ABOUT THE ISSUER COMPANY

i. 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.

India has over 295 distilleries, which are scattered throughout the country, which have an installed capacity for production of 3,198 million litres of alcohol. *(Source: About Distillery Industry of India from www.aidaindia.org/aida/about_distillery.html)*

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. 16,000 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)*

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.

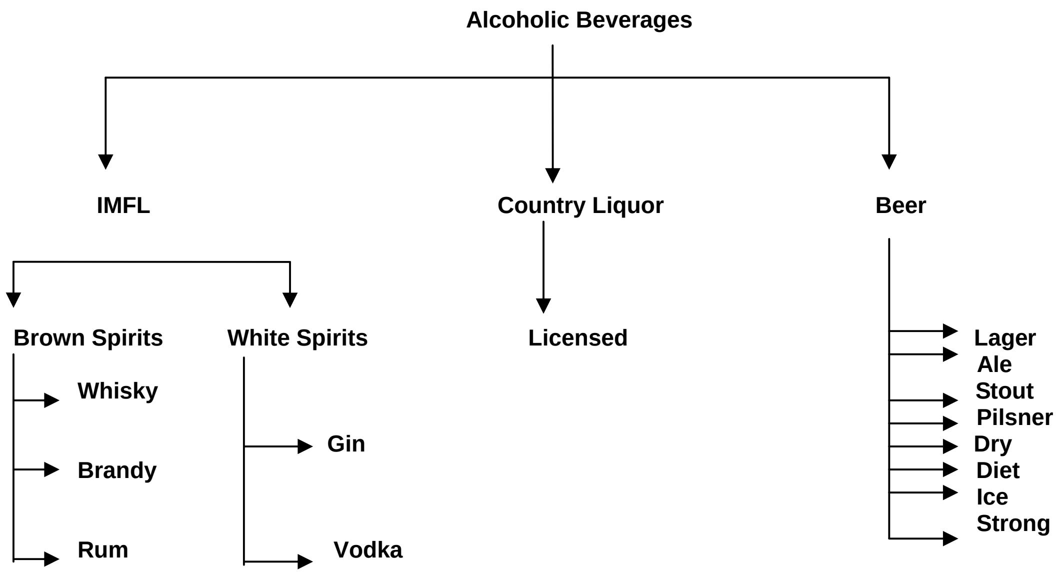
The distillery industry today consists broadly of two parts, one - potable liquor and two - industrial alcohol.

Demand for potable alcohol is seasonal in nature. Liquor consumption increases during winter. In addition, 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. Also, Sugar mills operate for only 6-7 months in a year, depending on the availability of sugarcane, which in turn affects the availability of molasses each season. *(Source: Financial Appraisal Report of SBI dated May 9, 2007)*

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 in that 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, labeling 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.

Industry Structure and Developments



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

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.

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.

Present Status & Products

Currently the industry is dominated by 3 brewers, the United Breweries, Shaw Wallace and Mohan Meakins dominate the market. 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 for 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)*

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

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:

a. Liquor is a vital element in each state's revenue.
b. The states strongly resist Central Government dictated changes.
c. There is a strong philosophical and/or religious hostility to alcohol among many states' voters.
d. 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.
e. Changing laws or reducing taxes on alcohol is never a vote winner; and is, therefore, avoided.
f. 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 Maharasthra has taken a more moderate view in order to conserve revenue.

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

Government Policy

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.

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.

State governments regulate and control the distribution of alcohol in their states. The Indian alcohol industry comprises Indian Made Foreign Liquor (IMFL) like Whisky, Rum, Brandy, Gin, Vodka, etc., which together sell 160 million cases a year; Beer sells 85 million cases per year and Wine sells only around 3 lac cases per year. In addition, there is a huge and fast growing market for country liquor with brand loyalty gaining ground over a period.

India is emerging as the largest global market for whisky, with sales of more than 80 million cases per annum. Imported brands, however, account for a miniscule percentage of the total consumption and the market is almost entirely covered by Indian whisky.
(Source: Financial Appraisal Report of SBI dated May 9, 2007)

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 May 9, 2007)

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 (including restaurants and bars). High level of custom duties, except for tourists, makes imports unviable. *(Source: Financial Appraisal Report of SBI dated May 9, 2007)*

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 a 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)*

Ethanol:

Ethanol (ethyl alcohol, grain alcohol, ETOH) is a clear, colorless liquid with a characteristic, agreeable odor. 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

a. 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 in the coming years also, with increasing disposable surplus in the hands of people. 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, the duties levied by various State Governments and the extent of competition amongst players. *(Source: Financial Appraisal Report of SBI dated May 9, 2007)*

INDUSTRY AVERAGES / BENCHMARKS *(Liquor):*

FY'06	**PBT / Net Sales (%)**	**Net Sales / TTA (%)**	**Current Ratio**	**Inv. + Rec. / Net Sales (days)**
Industry	-ve	1.00	1.15	185
GSL *(FY 2006)*	**7.09**	**2.82**	**1.78**	**40**

GSL's ratios and financial position are much better than the industry averages.
(Source: Financial Appraisal Report of SBI dated May 9, 2007)

ii. 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, and caters to reputed Indian brands in the IMFL segment. The Company has already launched its own IMFL brands in the north Indian state of Haryana and, proposes to launch the brands in six more states in North India and four states 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 modern 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.

In the Country Liquor segment, the Company is one of the leading suppliers having 23.04% market share in the state of Rajasthan for the Financial Year 2006-07. *(Source: Asst. Excise Officer, Excise Department, Behror, Rajasthan).*

In the state of Haryana, the market share of the Company is 16.24% for the Financial Year 2006-07. *(Source: Excise & Taxation Officer, Excise Department, Samalkha, Haryana).*

In the state of Delhi, the Company has a share of 26% in the total procurement of Country Liquor by the State Government of Delhi. *(Source: Acceptance of Tender of Country Liquor vide letter no. F.1(80)/Ex/CL/06-07/342 dated 23.2.2007 of Collector of Excise, Office of the Commissioner of Excise, Entertainment & Luxury Tax, Delhi).*

The Company is now gearing up for modernization and expansion of its production facilities in order to become a leading alcohol industry player in the northern region, 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 enter the IMFL market by developing its own brands and/or acquiring existing brands and marketing them all over India.

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.

   <u>The salient features of the same as under</u>:

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. CO_2 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 by launching its own brands in six states of North India and four states 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.	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	676.00 *(Inclusive of excise duty, Central Sales Tax, Erection costs, packing, forwarding, transportation and transit insurance, civil and structural design costs)*	Quotation no. BDN: HMT:GAL:O:234 dated 13.12.2006 & BDN: HMT:GSL:382 dated 11.6.2007 Delivery: 11-12 months from the date of receipt of first advance and further subject to second advance and prorata payment against supplies released when due.
	TOTAL		**676.00**	
2.	**<u>Multi-Pressure Grain Based Distillation Section at Samalkha Unit</u>** Plant and Machinery for 35 KLPD Slurry Mixing and Liquefaction, Saccarification cum Fermentation, Wash To ENA Multipressure Distillation along with Auxiliaries, Electrical, Instrumentation and Installation/Erection. 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	Praj Industries Ltd., Praj house, Bavdhan, Pune- 411021	2665.00 *(Inclusive of duties and taxes, Central Sales Tax, , transportation and transit insurance, civil and structural design costs)*	Quotation no. BDN: HMT: GSL:O: 302 dated 02.03.2007 & BDN: HMT: GSL:382 dated 11.6.2007

	Grain Cleaning, Milling, Flour Weighment & Conveying Spirit Receiver And Storage Section For 30 Days Plant Electrification Comprising Of HT/LT Substation, 4 P Transformer, Power Control Center, DG Sets, Cabling, Plant & Yard Lighting, Earthing etc.			
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	333.00 *(Inclusive of Excise Duty, Central Sales Tax, Erection and Taxes)*	Quotation no. BDN: HMT: GSL:O:241 dated 19.12.2006 & BDN: HMT: GSL:383 dated 12.6.2007 Delivery: From Praj factory will be completed withi 9 months from the date of receipt of first advance.
4.	**<u>Powerpac Traveling Grate Furnace Boilers</u>** 20 TPH, 45 kg/cm2 (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 *(Inclusive of Excise Duty, Central Sales Tax, Erection and contingency costs)*	Quotation no. CBL/72D/2006-07 dated 22.12.2006 & dated 14.6.2007 Delivery 12 months from the date of confirm order with advance.
5.	**<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 M/s Structures and Foundations Private Limited Ground Floor N-3, Kalkaji	450.00 *(Inclusive of excise duty @ 16%)*	Quotation no. KESSELS/STG/Q-GAL/2007/159 dated 3.1.2007 & KESSELS/STG/Q-GAL/2007/159/02 dated 12.6.2007 Delivery 10-12 months from the date of technically and commercially clear order and earlier upon mutual agreement. Quotation No. S&F:07:HOL:07 dated June 12, 2007

		New Delhi–110019.		
	TOTAL		**5042.00**	

STATUS SUMMARY OF MACHINERY PURCHASES

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

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

$$C_{12}H_{22}O_{11} \xrightarrow[\text{In Yeast}]{\text{Invertase Enzyme}} C_6H_{12}O_+ + C_6H_{12}O_6$$

2nd Stage

$$C_6H_{12}O_6 \xrightarrow[\text{In yeast}]{\text{Zymase Enzyme}} \underset{\text{(Ethyl Alcohol)}}{2C_2H_5OH} + \underset{\text{Carbon Dioxide}}{2CO_2}$$

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.

Fermentated 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

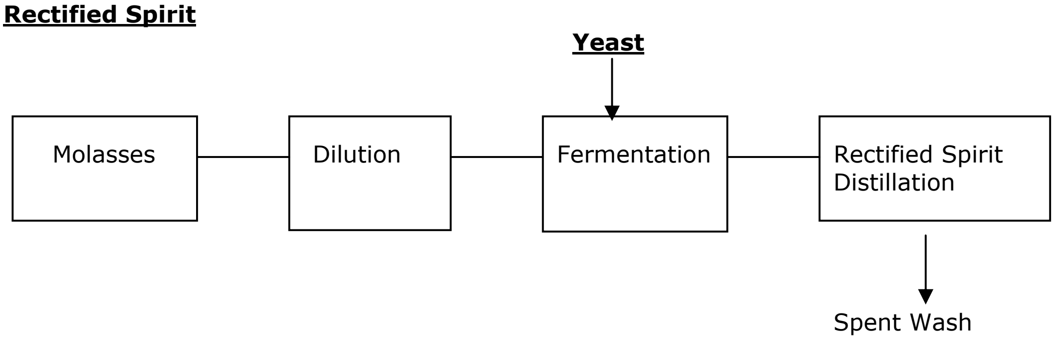
1st Stage (Primary Methanisation)

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.

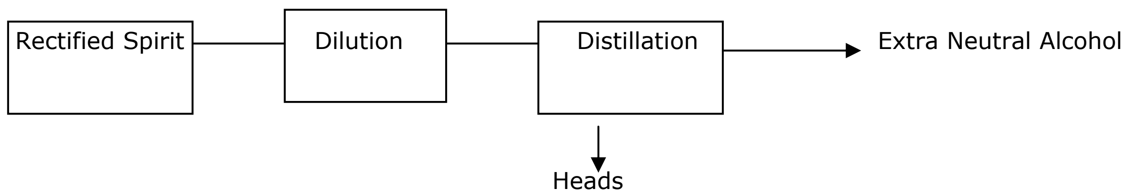
2nd Stage (Bio-composting)

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.

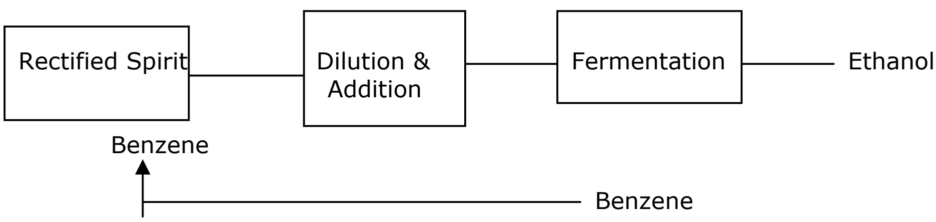
Rectified Spirit



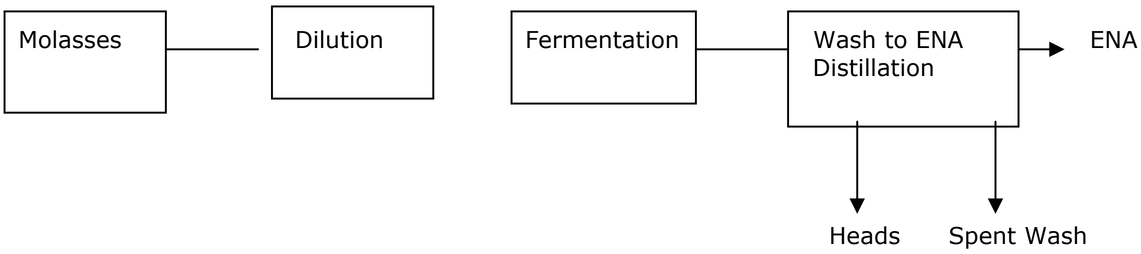
Extra Neutral Alcohol



ETHANOL



Proposed


Molasses
Dilution
Fermentation
Wash to ENA Distillation
ENA
Heads
Spent Wash

GRAIN PROCESS

LIQUEFACTION FERMENTATION AND DISTILLATION

PROCESS DESCRIPTION FOR GRAIN BASED LIQUEFACTION AND FERMENTATION:

FLOW DIAGRAM FOR GRAIN SPIRIT PRODUCTION:

Milling Section ↓	Consisting of i. Grain storage (20 days capacity) ii. Magnetic separator iii. Vibratory Screen iv. Chain conveyor v. Bucket elevators vi. Hopper bins vii. Hammer mill
Slurry Preparation / Liquefaction Section ↓	Consisting of i. Mixing tank ii. Slurry tank iii. Jet cooker iv. Holding coil v. Flash tank / holding tank vi. Liquefaction tank vii. Slurry coolers
Fermentation Section	Consisting of additional equipment for the Existing fermentation section like i. Fermentors ii. Wash re circulation pumps iii. Fermented wash coolers iv. Suitable modifications in piping / equipment, etc.

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 ^{0}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

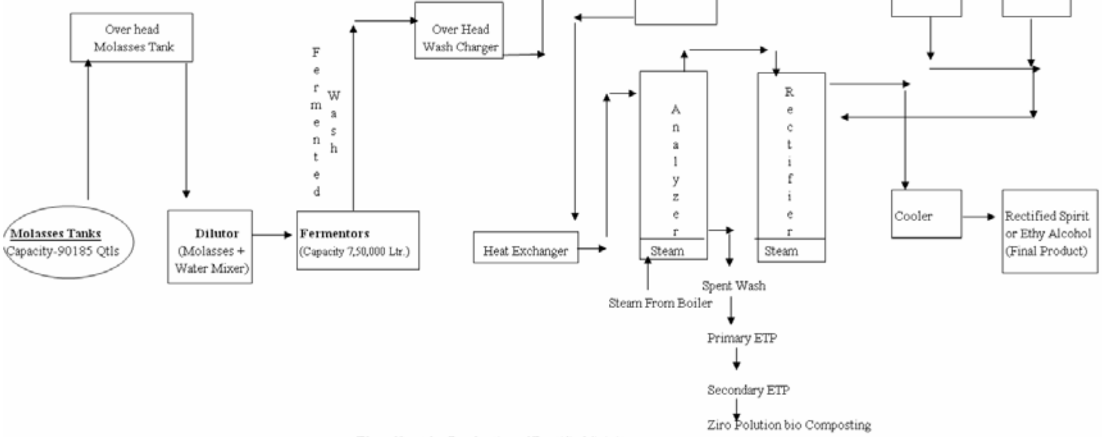
The secondary treatment is based on Aeration; The Aerators are provided to the tank and agitate the liquid with the result that the Aerobic bacteria degrade the organic matter.

© **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.

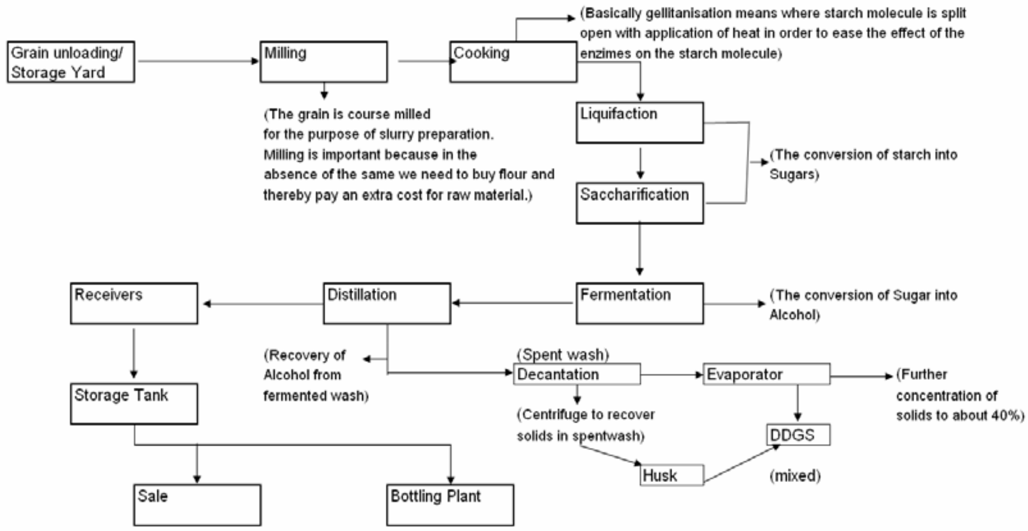
The Biocompost process completes in 45 / 60 Days time.

FLOW DIAGRAM OF MOLLASES SPIRIT

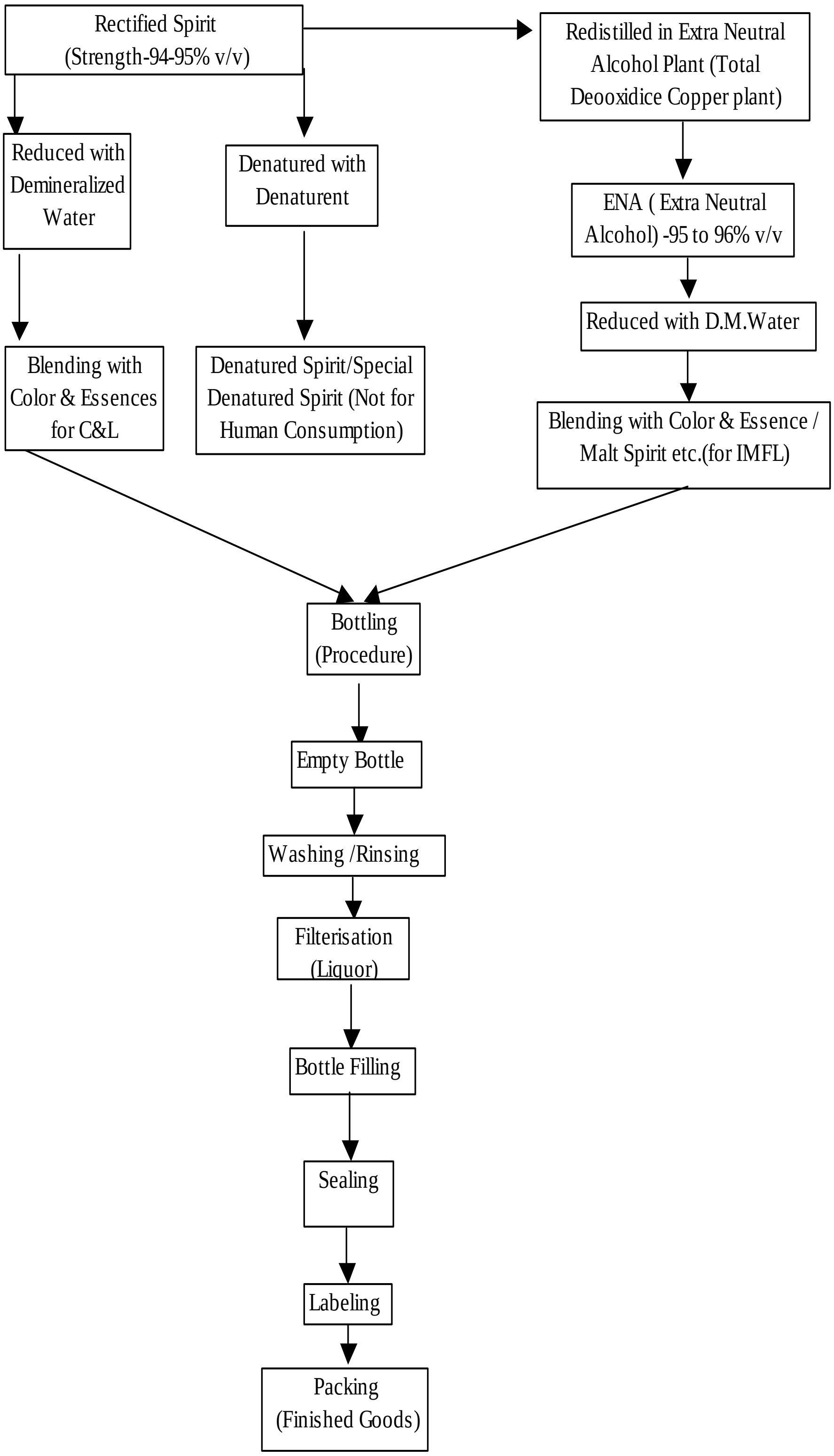


Flow Chart for Production of Rectified Spirit

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)*

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

MOLASSES PRODUCTION, SALE AND BALANCE STOCK – HARYANA STATE

I. CO-OPERATIVE SUGAR MILLS

(In Quintals)

Sl. No.	Mills	MOLASSES PRODUCTION		MOLASSES SALE		BALANCE	
		2005-06	2006-07	2005-06	2006-07	2005-06	2006-07
1.	Panipat	80,486.80	1,38,910.20	78,950.40	1,24,802.80	1,536.40	14,107.40
2.	Rohtak	75,147.00	1,38,822.00	58,591.95	1,10,128.50	16,555.05	28,693.50
3.	Karnal	1,43,409.00	1,31,473.00	54,289.80	1,47,113.05	89,119.20	(15,640.05)
4.	Sonipat	67,844.00	1,42,935.00	41,095.20	1,48,034.60	26,748.80	(5,099.60)
5.	Shanabad	2,98,576.00	3,87,634.00	2,18,923.15	3,71,231.00	79,652.85	16,403.00
6.	Jind	33,600.00	93,250.00	30,021.10	59,034.80	3,578.90	34,215.20
7.	Palwal	78,750.00	85,732.00	58,444.10	92,147.65	20,305.90	(6,415.65)
8.	Meham	61,944.00	1,45,110.00	53,625.20	1,04,056.40	8,318.80	41,053.60
9.	Kaithal	41,086.00	1,05,714.00	31,903.31	81,019.45	9,182.69	24,694.55
10.	Gohana	61,338.00	1,57,810.00	19,868.90	1,28,413.60	41,469.10	29,396.40
TOTAL		**9,42,180.80**	**15,27,390.20**	**6,45,713.11**	**13,65,961.85**	**2,96,467.69**	**1,61,428.35**

II. PRIVATE SUGAR MILLS

(In Quintals)

Sl. No.	Mills	MOLASSES PRODUCTION		MOLASSES SALE		BALANCE	
		2005-06	2006-07	2005-06	2006-07	2005-06	2006-07
1.	Saraswati Sugar Mills Ltd. Yamunanagar	9,83,350.00	10,03,184.00	8,85,015.00	8,52,706.00	98,335.00	1,50,478.00
2.	Piccadilly Agro Sugar Mills Limited, Karnal	3,13,928.00	3,45,321.00	2,82,535.00	2,93,523.00	31,393.00	51,798.00
3.	Naraingarh Sugar Mills Limited, Ambala	2,36,678.00	2,72,180.00	2,13,010.00	2,17,744.00	23,668.00	54,436.00
TOTAL		**15,33,956.00**	**16,20,685.00**	**13,80,560.00**	**13,63,973.00**	**1,53,396.00**	**2,56,712.00**

GRAND TOTAL	**24,76,136.80**	**31,48,075.20**	**20,26,273.11**	**27,29,954.85**	**4,49,863.69**	**4,16,120.35**

(Source: Excise & Taxation Officer Certification, Samalkha)

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).

Sl. No.	**NAME OF MAJOR SUPPLIER OF MOLASSES**
1.	Dhampur Sugar Mills Ltd., Kashipur, U.P.
2.	Saraswati Sugar Mills Ltd, Yamunanagar, Haryana
3.	The Sonipat Cooperative Sugar Mills Ltd., Sonipat, Haryana
4.	Chaudhary Devilal Co-Operative Sugar Mills Ltd, Gohana, Haryana
5.	Meham Co-operative Sugar Mills Ltd, Rohtak, Haryana
6.	The Haryana Cooperative Sugar Mills Ltd., Rohtak, Haryana
7.	The Bhuna Co-operative Sugar Mills Ltd., Bhuna, Fatehabad, Haryana

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.

According to the Arrival and Buyer Report for the financial year 2006-07 issued by Dalal Galla Committee, Naya Bazaar, Delhi, the grain comprising Jowar, Broken Rice etc arrive for sale from the states of Maharashtra, Rajasthan, Uttar Pradesh, Madhya Pradesh, Punjab, Chattisgarh, Andhra Pradesh etc.

The details of the total grain that arrived for sale and, the purchase quantity of Globus Spirits Limited, other liquor companies and, the Cattle and Poultry feed units are as under:

(In MT)

Purchaser' Name	**Jowar**	**Bajra**	**Broken Rice**	**Damage Wheat**	**Total**
Jagatjit Industries	1,800	2,800	4,000	13,400	**20,380**
Rampur Industries	13,000	1,500	3,400	7,300	**25,200**
Seagram	4,800	4,400	5,800	-	**15,000**
Gwalior Industries	9,500	1,700	2,200	4,200	**17,600**
Chandigarh Industries	-	-	37,000	12,000	**49,000**
Vintage Industries	-	2,000	9,000	-	**11,000**
Malt India Pvt. Ltd.	2,600	2,400	-	8,500	**13,500**
Bar Malt Ltd.	5,500	7,300	-	-	**12,800**
McDowell Ltd.	-	-	13,500	-	**13,500**
Globus Spirits Ltd.	**1,200**	**3,300**	**23,00**	**1,800**	**8,600**
Godrej/HLL/ITC	4,500	9,700	12,200	11,600	**38,000**
Poultry Feed Mills/Cattle Feed Mills/ Dairy Institutions	5,400	12,200	9,400	3,600	**30,600**
Total	**46,680**	**47,300**	**1,19,500**	**62,400**	**2,55,180**

It is observed from the above table, that there is a strong supply position in the grain market, as the stockists/dealers tend to sell the grain remaining with them (after the completion of sale to companies) to various cattle and poultry feed mills.

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*)*

Sl. No.	NAME OF MAJOR SUPPLIER OF GRAIN
1.	Kanodia Enterprises, Naya Bazar Delhi
2.	Keshav Trading Co., Naya Bazar Delhi
3.	Keshav Overseas Ltd., Naya Bazar Delhi
4.	Shyam Lal & Sons, Naya Bazar Delhi
5.	Seth Brothers, Village Mehmadpur, Patiala, Punjab
6.	Ramesh Chand Keshav Kumar, Lawrence Road, Delhi

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 m^3/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
	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 m^3/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, Saccarification, 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/cm2/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 $Cm^{2,}$ working pressure with 240^0 C superheat steam temperature and one Boiler of 10 MT/Hour capacity at 15 kg per Cm2 working pressure with 240^0 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 /Cm^2 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/cm2/g)	-	325.0 KW
Misc	-	50.0 KW
		1265.0 KW
Present Requirement		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 $Cm^{2,}$ working pressure with 240^{0} 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 /Cm^2 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	**411.5**

* On a three-shift basis

At present, the Distillery has two Boilers:

i. One Boiler of 8 M.T./Hr capacity of Babcok & Wilcock make 15 Kg./Cm^2
ii. The Second Boiler of 10 M.T/Hr capacity of Thermax make 15 Kg./Cm^2

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./Cm^2

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% CH_4 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.

VI. PRODUCTS

At present, the Company manufactures the following products in both the units combined:

Rectified Spirit 80 KLPD	:	288 Lakh Bulk Litres per annum
ENA 40 KLPD	:	40.28 Lakh Bulk Litres per annum
Country Liquor	:	42.11 Lakh Cases per annum

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

BRANDS

GSL's major brands are as under:-

<u>Country Liquor</u>

- Rana
- Chandni
- Rajasthan No.-1
- Ghoomar
- Samalkha No.-1

<u>IMFL</u>

- Rajputana Whisky / Rum / Gin
- White Lace Gin
- Samurai Whisky
- Hannibal Legendry Rum

VI. MARKETING

GSL is a well-established company in this line of activity for the last 15 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.

<u>Distribution:</u>

In some States, licenses for selling alcoholic beverages are allotted through auction. At present, India has around 40,000 licensed retail alcoholic beverage outlets (including restaurants and bars). High level of custom duties, except for tourists, makes imports unviable. *(Source: Financial Appraisal Report dated 9.5.2007 of SBI)*

<u>Existing Marketing Arrangement</u>

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: RECTIFIED SPIRIT/ENA

Sl. No.	NAME OF CUSTOMER
1.	Associated Distilleries Limited, Hisar, Haryana
2.	Shaw Wallace Distilleries Ltd. (Unit: Mehra Beverages,) Palwal; Faridabad, Haryana
3.	McDowell & Co. Ltd., Udaipur; Rajasthan

4.	United Spirits Limited, Palwal, Faridabad, Haryana
5	Rajasthan State Ganganagar Sugar Mills Ltd., Bhiwadi, Rajasthan
6	Herbertsons Ltd. (Unit: Sona Distilleries), Alwar, Rajasthan
7.	Vintage Distilleries Ltd., Alwar, Rajasthan
8.	BDA Ltd (Rajasthan Liqours Pvt Ltd), Jaipur; Rajasthan
9.	Associated Alcohol Breweries Ltd, Paniyala, Kotputli
10.	Jagatjit Industries Ltd, Sotanala, Alwar, Rajasthan

iii. 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.

iv. Country Liquor

a. Rajasthan

i. Primary Sale of Country Liquor by Private producers in the state of Rajasthan during the financial year 2006-07 (1.4.2006 to 31.3.2007)

(Figure in Cases)

Months	Others	%age	GSL	%age	TOTAL
April, 06	2,81,100	73.04%	1,03,775	26.96%	3,84,875
May, 06	2,19,650	65.87%	1,13,800	34.13%	3,33,450
June, 06	2,35,250	67.65%	1,12,475	32.35%	3,47,725
July, 06	2,38,625	59.97%	1,59,250	40.03%	3,97,875
August, 06	1,20,375	46.21%	1,40,125	53.79%	2,60,500
September, 06	1,52,000	47.86%	1,65,625	52.14%	3,17,625
October, 06	1,64,625	45.70%	1,95,625	54.30%	3,60,250
November, 06	1,61,375	46.67%	1,84,375	53.33%	3,45,750
December, 06	1,07,675	42.20%	1,47,500	57.80%	2,55,175
January, 07	1,03,000	46.71%	1,17,500	53.29%	2,20,500
February, 07	79,625	42.41%	1,08,125	57.59%	1,87,750
March, 07	74,500	30.32%	1,71,250	69.68%	2,45,750
Total	**19,37,800**	**52.99%**	**17,19,425**	**47.01%**	**36,57,225**

(Source: As Certified by Assistant Excise Officer, Shyampur, Rajasthan)

ii. Primary Sale of Country Liquor by all Producers, including both Private producers and RSGSM, in the state of Rajasthan during the financial year 2006-07 (1.4.2006 to 31.3.2007)

(Figure in Cases)

Months	Other Private Producers & RSGSM	%age	GSL	%age	TOTAL
April, 06	8,06,794	88.61%	1,03,775	11.39%	9,10,569
May, 06	6,32,265	84.75%	1,13,800	15.25%	7,46,065
June, 06	6,08,398	84.40%	1,12,475	15.60%	7,20,873
July, 06	5,47,884	77.48%	1,59,250	22.52%	7,07,134
August, 06	3,93,407	73.74%	1,40,125	26.26%	5,33,532
September, 06	3,88,805	70.13%	1,65,625	29.87%	5,54,430
October, 06	4,29,671	68.71%	1,95,625	31.29%	6,25,296
November, 06	3,86,375	67.70%	1,84,375	32.30%	5,70,750
December, 06	3,92,675	72.69%	1,47,500	27.31%	5,40,175
January, 07	3,93,000	76.98%	1,17,500	23.02%	5,10,500
February, 07	3,79,625	77.83%	1,08,125	22.17%	4,87,750
March, 07	3,84,500	69.19%	1,71,250	30.81%	5,55,750
Total	**57,43,399**	**76.96%**	**17,19,425**	**23.04%**	**74,62,824**

(Source: As Certified by Assistant Excise Officer, Shyampur, Rajasthan)

Country Liquor demand in the state of Rajasthan is about 8,00,000 cases per month. Each case contains 9 Bulk Litres. As per the State Government Policy, any potable or mixed distillery can supply Country Liquor within the state. The share of the Company is around 23.04%.

b. Haryana

Statement showing issue of Country Liquor district wise, and Globus Spirits share:

(Figures in Cases)

Sl. No.	District	Other Companies	%age	Globus Spirits Limited	%age	TOTAL
1.	Ambala	5,65,800	87.15%	83,400	12.85%	6,49,200
2.	Bhiwani	5,44,652	82.77%	1,13,400	17.23%	6,58,052
3.	Faridabad	9,46,800	83.23%	1,90,800	16.77%	11,37,600
4.	Fatehabad	3,45,600	87.41%	49,800	12.59%	3,95,400
5.	Gurgaon	7,64,400	83.38%	1,52,400	16.62%	9,16,800
6.	Hisar	8,17,800	84.71%	1,47,600	15.29%	9,65,400
7.	Jagadhri	7,09,330	89.65%	81,900	10.35%	7,91,230
8.	Jhajjar	5,08,200	79.91%	1,27,800	20.09%	6,36,000
9.	Jind	6,20,400	81.74%	1,38,600	18.26%	7,59,000
10.	Kaithal	5,86,800	83.59%	1,15,200	16.41%	7,02,000
11.	Karnal	6,45,000	82.50%	1,36,800	17.50%	7,81,800
12.	Kurukshetra	4,67,400	82.87%	96,600	17.13%	5,64,000
13.	Mewat	88,152	83.04%	18,000	16.96%	1,06,152
14.	Narnaul	2,95,800	82.30%	63,600	17.70%	3,59,400
15.	Panchkula	2,47,800	75.92%	78,600	24.08%	3,26,400
16.	Panipat	5,35,800	82.69%	1,12,200	17.31%	6,48,000
17.	Rewari	3,60,600	84.17%	67,800	15.83%	4,28,400
18.	Rohtak	4,96,800	83.72%	96,600	16.28%	5,93,400
19.	Sirsa	5,64,600	87.05%	84,000	12.95%	6,48,600
20.	Sonipat	5,98,800	83.17%	1,21,200	16.83%	7,20,000
	TOTAL	**1,07,10,534**	**83.76%**	**20,76,300**	**16.24%**	**1,27,86,834**

(Source: Statistical details of Issue of Country Liquor district wise and distillery wise for the period from 1.4.2006 to 31.3.2007; Certified by Excise & Taxation Officer, Haryana)

The total Country Liquor demand in the state of Haryana in the Financial Year 2006-07 as per the Excise & Taxation Officer, Government of Haryana is 127.87 lakh cases. Each case contains 9 Bulk Litres. As per the State Government Policy, any potable or mixed distillery can supply Country Liquor within the state. The Company enjoys a 16.24% market share in the state of Haryana.

c. Delhi

The Company has 26% market share in the Country Liquor segment in Delhi in terms of the acceptance of tender for supply of Country Liquor for the year 2007-08 issued by the Office of the Commissioner of Excise, Entertainment & Luxury Tax, Government of NCT of Delhi vide its letter no. F.1(80)/Ex/CL/06-07/342 dated February 23, 2007 to Globus Spirits Limited. The Government of Delhi has accepted the tender to purchase Country Liquor in the 180 ML, 375 ML, and 750 ML size categories. The Company is also supplying country liquor to the tune of 36,000 cases per month in the state of Delhi.

v. IMFL

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

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.

i. Extra Neutral Alcohol (ENA) - Molasses/Grain based

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 proposes to build IMFL brands and the same shall also be grain based. It is felt 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 160 million cases a year; Beer sells 85 million cases per year and Wine sells only around 3 lac cases per year. In addition, there is a huge and fast growing market for country liquor with brand loyalty gaining ground over a period.

India is emerging as the largest global market for whisky, with sales of more than 80 million cases per annum. Imported brands, however, account for a miniscule percentage of the total consumption and the market is almost entirely covered by Indian whisky.

(Source: Financial Appraisal Report of SBI dated May 9, 2007)

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 liquefacation 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 defense 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 Rum. Approximately, 60 lakh cases of Rum are procured by CSD every year.

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.	Manufacturing Agreement Parties: BDA Private Limited 12, Evergreen Industrial Estate Shakti Mills Lane Off Haines Road Mahalaxmi Mumbai – 400 011 Maharashtra & Globus Agronics Limited C-631 New Friends Colony New Delhi – 110 065	Date: 15.2.2007 Period: 15.2.2007-31.3.2010 Globus shall manufacture such products that BDA will require to be manufactured at the bottling plants of Globus. Brands to be bottled by Globus: 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.	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.

	Supplementary Agreement	5. Class Vodka. Date: 16.3.2007 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 Certificate dated 23rd January 2007. 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.	
2.	Manufacturing and Usership Agreement Parties: Globus Spirits Limited C-631 New Friends Colony New Delhi – 110 065 & Associated Distilleries Limited C-631 New Friends Colony New Delhi – 110 065	Date: 15.4.2007 Period: 15.4.2007-31.3.2010 Associated Distilleries Limited (ADL) shall manufacture such products that Globus Spirits will require to be manufactured at the bottling plants of ADL. Brands to be bottled by ADL: For Haryana: i. Samurai Whisky ii. White Lace Duet Gin iii. Hannibal Legendary Rum iv. White Lace Gin For Chandigarh: i. Samurai Gold Whisky ii. White Lace Vodka iii. Hannibal Legendary Rum iv. White Lace Duet Gin v. White Lace Gin For Kerala: i. Samurai Grape Brandy ii. Black Lace XXX Rum	After expiration of the initial term, agreement may be renewed by GAL for a further period of 3 years upon mutually agreed terms and conditions.

3.	Manufacturing Agreement Parties: Globus Spirits Limited C-631 New Friends Colony New Delhi – 110 065 & SVP Industries Limited Mansurpur Distt. Muzaffarnagar Uttar Pradesh	Date: 18.4.2007 Period: 15.4.2007-31.3.2010 SVP Industries Limited (SVP) shall manufacture such products that Globus Spirits will require to be manufactured at the bottling plants of SVP Industries. Brands to be bottled by SVP: i. Samurai Gold Whisky ii. White Lace Gin iii. Hannibal Legendary Rum iv. White Lace Duet Gin v. White Lace Vodka	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.

The Company has neither any export obligations, of any nature nor any export possibilities in the near future.

SWOT ANALYSIS – As envisaged by the Company's management.

STRENGTHS

- Geographical presence in 2 States: Haryana and Rajasthan
- Multifeed Stock (Grain and Molasses)
- Low Debt
- Good relationship with Customers of Bulk Spirit (RS & ENA)
- Knowledge of Industry - Commercial & Technical
- Country Liquor Volumes: 3.5 lakhs cases / month - 4 Million per annum
- Low Overhead cost
- Bottling high quality IMFL products

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
- 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:

ITEMS	Unit	2004-05 Licensed Capacity	Installed Capacity	Production	2005-06 Licensed Capacity	Installed Capacity	Production	2006-07 Licensed Capacity	Installed Capacity	Production
Rectified Spirit	Lakh BL per annum	288	288	115.21	288	288	150.24	288	288	220.24
Capacity Utilization				40%			52.17%			76.47%

PROPOSED CAPACITY FOR NEXT THREE YEARS:

ITEMS	Unit	2007-08 Licensed Capacity	Installed Capacity	Production	2008-09 Licensed Capacity	Installed Capacity	Production	2009-10 Licensed Capacity	Installed Capacity	Production
Rectified Spirit	Lakh BL per annum	288	288	240.00	498	498	450	498	498	460
Capacity Utilization				83.33%			90.36%			92.37%

The Licensed Capacity of Industrial Alcohol is in the process of being increased to 393 lakh BL per annum. However, given the fact that the additional capacity would be installed by the end of 2007-08 the installed capacity till such time would continue to be 288 lakh BL per annum.

INSURANCE

The Company has taken insurance policies insuring major risks relating to its stocks, building, plant & machinery, accessories at its manufacturing facilities at Behror, Haryana and Samalkha, Rajasthan.

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 and Stock and Stock-in-Process (Behror Unit)	1021.59	Standard Fire and Special Perils Policy	242306	16.10.2006	15.10.2007
2.	National Insurance Company Limited	Building Plant & Machinery and Accessories (Samalkha Unit)	110.00 450.00 560.00	Standard Fire and Special Perils Policy	421500/11/06/ 3300000510	28.8.2006	27.8.2007

3.	National Insurance Company Limited	Machinery comprising DG Set, Turbo Generator, Cooling Towers (Samalkha Unit)	44.00	Machinery Insurance	421500/44/06/ 5200000073	28.8.2006	27.8.2007
4.	Bajaj Allianz General Insurance Company Limited	Breweries Plant, Stock of Raw Material, Packaging Material, Finished goods and Stock-in-Progress (Samalkha Unit)	300.00	Standard Fire and Special Perils Policy along with add-on coverage for Earthquake without plinth and foundation	OG-07-1105-4001-00000626	14.9.2006	13.9.2007
5.	Tata AIG General Insurance Company Ltd.	Motor Vehicle No. DL2FBG0072	21.20	Motor Vehicle	0150019403 01	29.10.2006	28.10.2007
6.	ICICI Lombard General Insurance Co. Ltd.	Motor Vehicle No. DL4CNB0104	5.63	Motor Vehicle	3001/50248678/00/00	29.7.2006	28.7.2007
7.	Bajaj Allianz General Insurance Co. Ltd.	Motor Vehicle No. DL3CY8198	21.20	Motor Vehicle	OG-07-1105-1801-00001041	5.7.2006	4.7.2007
8.	Reliance General Insurance Company Ltd.	Motor Vehicle No. DL3CJ6512	6.43	Motor Vehicle	Cover Note: 1715177 Policy No. 1306372311103072	16.3.2007	15.3.2008
9.	Reliance General Insurance Company Ltd.	Motor Vehicle No. DL3CAX1553	6.80	Motor Vehicle	Cover Note: 1918517 Policy: 1305072311001135	2.4.2007	1.4.2008
10.	ICICI Lombard General Insurance Co. Ltd.	Motor Vehicle No. DL3CAK8449	6.41	Motor Vehicle	Cover Note: PE 4143178 Policy: 3001/51510961/00/000	28.3.2007	27.3.2008
11.	The New India Assurance Company Ltd.	Motor Vehicle no. DL1VA5089	5.92	Motor Vehicle	310600/91/07/01/00001189	24.5.2007	23.5.2008

The Company has no other policy in force other than as stated herein above. Further, all normal risks associated with the business (including premises) are adequately insured. There are no pending claims with regard to the insurance policies held by the Company.

The Company believes that its insurance coverage is adequate as per present requirement of 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 165 Aiyer	Khasra No. 214

	Date of Agreement: 25.3.1995 vide Deed of Sale Consideration (Rs. 1,65,000/-)	Vendor: Mr. Yadram Vendee: M/s Globus Agronics Limited	Distt. Alwar Rajasthan 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.	i.e., 41.25 Aiyer in Khasra no. 214	
10.	M/s Globus Agronics Limited Date of Agreement: 25.3.1995 vide Deed of Sale Consideration (Rs. 1,65,000/-)	Freehold Land Vendor: Mr. Yadram Vendee: M/s Globus Agronics Limited	Village Shayampur Tehsil Behror Distt. Alwar Rajasthan 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.	1/4 of Total property of area 165 Aiyer i.e., 41.25 Aiyer in Khasra no. 214	Khasra No. 214
11.	M/s Globus Agronics Limited Date of Agreement: 12.1.1995 vide Deed of Sale Consideration (Rs. 1,65,000/-)	Freehold Land Vendor: Mr. Chorta Vendee: M/s Globus Agronics Limited	Village Shayampur Tehsil Behror Distt. Alwar Rajasthan 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.	¼ of Total property of area 165 Aiyer in Khasra no. 214 amounting to 41.25 Aiyer	Khasra No. 214
12.	M/s Globus Agronics Limited Date of Agreement: 12.1.1995 vide Deed of Sale Consideration (Rs. 1,65,000/-)	Freehold Land Vendor: Mr. Chorta Vendee: M/s Globus Agronics Limited	Village Shayampur Tehsil Behror Distt. Alwar Rajasthan 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.	¼ of Total property of area 165 Aiyer in Khasra no. 214 amounting to 41.25 Aiyer	Khasra No. 214
13.	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 12, Bahi No. 1 Jild No. 190 on page no. 41 and Jild No.	½ of Total property of area 79 Aiyer amounting to 39.50 Aiyer in Khasra no. 213	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 Agronic 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

	Date of Agreement: 12.1.1995 vide Deed of Sale Consideration (Rs. 1,60,000)	Vendor: Mr. Jeeta Ram Vendee: M/s Globus Agronic Limited	Rajasthan 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.	Aiyer in Khasra no. 215	
19.	M/s Globus Agronics Limited Date of Agreement: 12.1.1995 vide Deed of Sale Consideration (Rs. 1,06,000)	Freehold Land Vendor: Mr. Bharya Vendee: M/s Globus Agronics Limited	Village Shayampur Tehsil Behror Distt. Alwar Rajasthan 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.	½ of Total property of area 53 Ayer amounting to 26.5 Aiyer in Khasra no. 207	Khasra No. 207
20.	M/s Globus Agronics Limited Date of Agreement: 12.1.1995 vide Deed of Sale Consideration (Rs. 1,06,000)	Freehold Land Vendor: Mr. Bharya Vendee: M/s Globus Agronics Limited	Village Shayampur Tehsil Behror Distt. Alwar Rajasthan 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.	½ of Total property of area 53 Ayer amounting to 26.5 Aiyer in Khasra no. 207	Khasra No. 207
21.	M/s Globus Agronics Limited Date of Agreement: 9.3.1995 vide Deed of Sale Consideration (Rs. 22,700)	Freehold Land Vendor: Mr. Shyam Sunder, Mr. Rattan Lal, Mr. Om Prakash Vendee: M/s Globus Agronics Limited	Village Shayampur Tehsil Behror Distt. Alwar Rajasthan 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.	1/6 of Total property of area 17 Aiyer amounting to 2.83 Aiyer in Khasra no. 202 and 1/6 of Total property of area 17 Aiyer amounting to 2.83 Aiyer in Khasra No. 203	Khasra No. 202 & 203
22.	M/s Globus Agronics Limited Date of Agreement: 13.1.1995 vide deed of sale Consideration (Rs. 1,13, 500)	Freehold land Vendor: Mr. Pushkar Dutt, Mr. Ramji Lal, Mr. Ramesh Chand, Mr. Surendra	Village Shayampur Tehsil Behror Distt. Alwar Rajasthan Registration: Registered at 34, Bahi No. 1, Jild No. 190 on page No. 63 and Jild No.	5/6 of Total property of area 17 Aiyer amounting to 14.17 Aiyer in Khasra no. 202 and 5/6 of Total property of area 17 Aiyer amounting to 14.17 Aiyer in Khasra No. 203	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 Khasr No. 228, 19 Aiyer in Khasr No. 229, 34 Aiyer in Khasr 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 Khasr 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 Killa No. 6/24 (8-0 Nehri), 25/4-5 (7-12, 8-0 Chahi) Kite 3 Rekba 23 K-124 & Khebat No. 581/54, Khataoni No. 1084, Killa No. 25/27 (0-7).	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 1.5.2007 Tenure: 9 months beginning from 1.5.2007 Unregistered Lease Deed
	Details of Property Leased	1st 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	Sub-Lessor Associated Distilleries Limited C-631, New Friends Colony, New Delhi- 110065 Sub-Lessee Globus Spirits Limited

<table>
<tr><td rowspan="3">2.</td><td>Date & Tenure</td><td>Lease dated 1.2.2007
Tenure: 3 years beginning from 1.2.2007

Unregistered Lease Deed</td></tr>
<tr><td>Details of Property Leased</td><td>Ground Floor of property:
Factory No. D-26,
Sector -3
Noida- 201301
Uttar Pradesh

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.</td></tr>
<tr><td>Parties</td><td>Lessor:
M/s Rambagh Estates Private Limited
C-631
New Friends Colony East
New Delhi-110065

Lessee:
M/s Globus Spirits Limited
C-631
New Friends Colony East
New Delhi-110065</td></tr>
</table>

C. Property on Rent

<table>
<tr><th>Sl. No.</th><th colspan="2">Details of the Properties</th></tr>
<tr><td rowspan="3">1.</td><td>Date & Tenure</td><td>Rent Agreement dated 10.3.2007
Tenure: 1 years beginning from 1.4.2007

Registered Rent Agreement</td></tr>
<tr><td>Details of Property Rented</td><td>Built-up Godown comprising Basement and Ground Floor built on Plot No.58 & 102 of total land measuring 600 Sq. Yards out of Khasra No. 54 situated in Nangli Poona, Delhi.

Rent:
Rs. 80,000/- per month.
Rent shall be payable in advance on or before the 7th day of each English Calendar month.

Security offered:
Rs. 3 lakhs, which is refundable at the time of termination of the agreement without any interest.</td></tr>
<tr><td>Parties</td><td>Landlord:
Mr. Anil Kumar, Mr. Rajesh Kumar, Mrs. Madhu Yadav and, Mrs. Bala
VPO: Bhalswa
Delhi

Tenant:
Globus Spirits Limited
C-631
New Friends Colony
New Delhi - 110065</td></tr>
</table>

The Land acquired by the Company is free from all encumbrances and has a clear title. 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:

i. Registration of Trademark 'GLOBUS SPIRITS' along with its logo in Class 33 under Application no. 1565326 on 5th June 2007 in respect of Whisky, Brandy, Rum, Gin, Vodka, Wine and other alcoholic beverages included in class 33. The Company has not yet received the Registration Certificate.

ii. Registration of Trademark '20-20 PREMIUM WHISKY' in Class 33 under Application no. 01565314 on 5th June 2007 in respect of Whisky, Brandy, Rum, Gin, Vodka, Wine and alcoholic beverages. The Company has not yet received the Registration Certificate.

iii. Registration of Trademark 'BLACK LACE' in Class 33 under Application no. 01565315 on 5th June 2007 in respect of Whisky, Brandy, Rum, Gin, Vodka, Wine and alcoholic beverages. The Company has not yet received the Registration Certificate.

iv. Registration of Trademark 'LE MANS' in Class 33 under Application no. 01565316 on 5th June 2007 in respect of Whisky, Brandy, Rum, Gin, Vodka, Wine and alcoholic beverages. The Company has not yet received the Registration Certificate.

v. Registration of Trademark 'WHITE LACE' in Class 33 under Application no. 01565317 on 5th June 2007 in respect of Whisky, Brandy, Rum, Gin, Vodka, Wine and alcoholic beverages. The Company has not yet received the Registration Certificate.

vi. Registration of Trademark 'URBAN TRIBE' in Class 33 under Application no. 01565318 on 5th June 2007 in respect of Whisky, Brandy, Rum, Gin, Vodka, Wine and alcoholic beverages. The Company has not yet received the Registration Certificate.

vii. Registration of Trademark 'NOBLE HOUSE' in Class 33 under Application no. 01565319 on 5th June 2007 in respect of Whisky, Brandy, Rum, Gin, Vodka, Wine and alcoholic beverages. The Company has not yet received the Registration Certificate.

viii. Registration of Trademark 'MOUNTAIN OAK' in Class 33 under Application no. 01565320 on 5th June 2007 in respect of Whisky, Brandy, Rum, Gin, Vodka, Wine and alcoholic beverages. The Company has not yet received the Registration Certificate.

ix. Registration of Trademark 'SAMURAI ' in Class 33 under Application no. 01565321 on 5th June 2007 in respect of Whisky, Brandy, Rum, Gin, Vodka, Wine and alcoholic beverages. The Company has not yet received the Registration Certificate.

x. Registration of Trademark 'SINGLE GRAIN ' in Class 33 under Application no. 01565322 on 5th June 2007 in respect of Whisky, Brandy, Rum, Gin, Vodka, Wine and alcoholic beverages. The Company has not yet received the Registration Certificate.

xi. Registration of Trademark 'VAPOUR' in Class 33 under Application no. 01565323 on 5th June 2007 in respect of Whisky, Brandy, Rum, Gin, Vodka, Wine and alcoholic beverages. The Company has not yet received the Registration Certificate.

xii. Registration of Trademark 'HANNIBAL' in Class 33 under Application no. 01565324 on 5th June 2007 in respect of Whisky, Brandy, Rum, Gin, Vodka, Wine and alcoholic beverages. The Company has not yet received the Registration Certificate.

xiii. Registration of Trademark 'GREAT TIMES' in Class 33 under Application no. 01565325 on 5th June 2007 in respect of Whisky, Brandy, Rum, Gin, Vodka, Wine and alcoholic beverages. The Company has not yet received the Registration Certificate.

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.

SUMMARY DETAILS OF TRADE MARK APPLICATION

Application No.	01565326
Filed on	June 5, 2007
Mark	"GLOBUS SPIRITS"
Class	33 (Thirty Three)
Applicant	Globus Spirits Limited
Period of User	Since July 1, 2006
Status	Registration Certificate not received

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	Registration Certificate not received

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	Registration Certificate not received

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	Registration Certificate not received

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	Registration Certificate not received

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	Registration Certificate not received

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	Registration Certificate not received

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	Registration Certificate not received

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	Registration Certificate not received

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	Registration Certificate not received

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	Registration Certificate not received

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	Registration Certificate not received

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	Registration Certificate not received

iii. 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. 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.

Government Regulations

The industry and the operations of the Company are subject to various laws and regulations. The Company believes that it will comply with rules and regulations in all material respects with all government regulations, as may be required.

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.

State governments regulate and control the distribution of alcohol in their states. The Indian alcohol industry comprises Indian Made Foreign Liquor (IMFL) like Whisky, Rum, Brandy, Gin, Vodka, etc., which together sell 160 million cases a year; Beer sells 85 million cases per year and Wine sells only around 3 lakh cases per year. In addition, there is a huge and fast growing market for country liquor with brand loyalty gaining ground over a period.

India is emerging as the largest global market for whisky, with sales of more than 80 million cases per annum. Imported brands, however, account for a miniscule percentage of the total consumption and the market is almost entirely covered by Indian whisky. *(Source: Financial Appraisal Report dated 9.5.2007 of SBI)*

REGULATION & CONTROL:

- 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)*

iv. 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	• 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	• Sets up second Distillery unit at Behror, Haryana; 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	• 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	• 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	• Commenced bottling of IMFL at Behror Unit in August, 1999; and Country Liquor at Samalkha Unit in December, 1999.
2000-01	• 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	• Haryana Pollution Control Board orders start of Bottling of Country Liquor at Samlakha unit on 17.8.2001. • Bottling at Samlakha 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	• 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	• 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	• Distillation Plant commences operation at Samalkha Unit in April, 2005.
2006-07	• 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. • 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 hydrolosis, 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, hop merchants, 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
31.3.1993	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.

22.8.1995	• 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.
17.7.1995	Change in Registered Office from 14 Central Lane, Bengali Market, New Delhi-110001 to 2-D Vandana Building, Tolstoy Marg, New Delhi – 110 001.
11.8.2003	Change in Registered Office from 2-D, Vandana Building, Tolstoy Marg, New Delhi – 110 001 to C-631, New Friends Colony, New Delhi – 110 065.
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.
2.6.2007	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 is given in the section titled "Capital Structure" on page no. 14 of the Draft 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 following agreement:

The Company, Mr. Deepak Roy (an Independent Director) and Mr. Ajay Kumar Swarup (Managing Director) have entered into a tripartite agreement on April 13, 2007. The salient features of the agreement are as under:

i. 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).

ii. 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.

ii. 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 said preferential allotment of 3,84,400 Shares to Mr. Deepak Roy on the following terms:

i. The option to purchase the said 3,84,400 shares at an agreed price of Rs. 80/- per share, on or before the said Option Expiry Date shall be exercised by Mr. Deepak Roy in writing to the Board of Directors and shall be unconditional.

ii. If Mr. Deepak Roy did not exercise the said option on or before the said Option Expiry Date, the rights to exercise the said option shall lapse.

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.

Strategic Partners

The Company, as on date, has no strategic partners.

Financial Partners

The Company, as on date, has no financial partners.

v. 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 four 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 45 Years Industrialist DIN: 00270717 Term: Retire by Rotation	16.2.1993 *(Appointed as Chairman w.e.f 17.4.2007)*	Directorships: 1. Nagpur Power & Industries Ltd, *Chairman*. 2. Informed Technologies India Ltd., *Chairman*. 3. Khandelwals Ltd, U.K. 4. Khandelwal Remedies Pvt Ltd. 5. Zeppelin Investments Pvt Ltd. 6. Magnachem Pharmaceuticals Pvt. Ltd. 7. The Motwane Mfg. Co. Pvt. Ltd 8. Krohm Solutions Pvt. Ltd.
2.	Mr. Ajay Kumar Swarup Managing Director S/o Mr. Madhav Kumar Swarup B.A.(Honours), MBA (IIM,Calcutta) 51A, Friends Colony (East) New Delhi – 110 065 DOB: 5.2.1959 48 Years Industrialist DIN: 00035194 Term: 5 years (1.12.2006 to 30.11.2011)	1.12.2006 *(Appointed as Managing Director w.e.f 1.12.2006)*	Directorships: 1. Rambagh Estates Pvt. Ltd. 2. Jaroda Plantations Pvt. Ltd. 3. Biotech India Ltd. 4. Ridhi Estates Pvt. Ltd. 5. Sidhi Estates Pvt. Ltd. 6. Vitthal Properties Pvt. Ltd. 7. Chand Bagh Investments Ltd. 8. 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	1.8.2006 *(Appointed as Executive Director)*	-

	DOB: 9.2.1946 61 Years Service DIN: 00769308 Term: 3 years (1.8.2006 to 31.7.2009)		
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 51 years Service DIN: 00504061 Term: Retire by Rotation	1.12.2006 *(Appointed as Whole Time Director w.e.f 1.12.2006)*	-
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 52 years Service DIN: 01123695 Term: Retire by Rotation	1.12.2006 *(Appointed as Whole Time Director w.e.f 1.12.2006)*	-
6.	Mr. Deepak Roy Non-Executive & Independent Director s/o Mr. Shashi Bhushan Roy B.A. Hons. (Economics), Diploma in Management Science Flat No. 31/32, 3rd Floor Bhaktawar Chs Narayan Dabholkar Road Mumbai – 400 006 Maharashtra DOB: 25.12.1951	20.2.2007 *(As Additional Director)*	Directorships: i. Bioinnovat Research Services Private Ltd. ii Vallee de Vin Private Ltd. iii. Accra Investments Pvt. Ltd.

	55 years Professional DIN: 00178236 Term: Retire by Rotation		
7.	Mr. Joginder Singh Dhamija 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 73 Years Professional DIN: 01409464 Retire by Rotation	20.2.2007 *(As Additional Director)*	-
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 60 Years Consulting & Academic Professional DIN: 01098021 Retire by Rotation	20.2.2007 *(As Additional Director)*	-

The brief profile of the Directors of the Company is given below:

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

Mr. Gautam Premnath Khandelwal, aged 45 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 biome 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. 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 48 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 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 61, 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 51 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 rich 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 52 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 Rajasthan.

Mr. Deepak Roy, ***Non-Executive & Independent Director***

Mr. Deepak Roy, aged 55 years, is a Non-Executive and Independent 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 various assignments in marketing, 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. He built UDV 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. Deepak Roy has also been credited for building the Smirnoff brand in India.

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, where he helped lay a strong foundation for Bagpiper Whisky. While in Herbertsons, Mr. Roy was also instrumental in launching Bagpiper Gold.

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 various development programmes including '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 73 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; ad 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 61 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 rich 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, Bhubaneshwar.

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.

<u>DETAILS OF BORROWING POWERS</u>

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

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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.
   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.

   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.

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 with the liberty by either party to terminate the appointment on one month's notice.

The terms of his appointment are as follows:

a. Basic Salary: Rs. 35,000/- per month with suitable increases as determined by the Board.

b. Special Allowance: Rs. 6,750/- per month with suitable increases as determined by the Board.
c. House Rent Allowance: Rs. 7,000/- 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.

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 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 terms of his appointment are as follows:

a. Basic Salary: Rs. 17,500/- per month with suitable increases as determined by the Board.
b. Special Allowance: Rs. 2,500/- per month with suitable increases as determined by the Board.
c. House Rent Allowance: Rs. 9,000/- 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:
      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 terms of his appointment are as follows:

a. Basic Salary: Rs. 20,000/- per month with suitable increases as determined by the Board.
b. House Rent Allowance: Rs. 10,000/- 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.

Accordingly, the Company has undertaken steps to comply with the SEBI Guidelines on Corporate Governance. The Company's Board has eight Directors earlier, of which four are independent directors. The Chairman of the Board is a non-Executive Director. Committees of the Board have been constituted in order to look into the matters in respect of audit, compensation of executive directors, shareholding/Investors Grievance Redressal etc.

To comply with the guidelines in relation to Corporate Governance, the Issuer Company has appointed 4 independent directors, viz. Mr. Gautam Premnath Khandelwal, Mr. Deepak Roy, Mr. Joginder Singh Dhamija and Mr. Santosh Kumar Bishwal on its Board. 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, and four (4) Independent Directors.

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 pursuant to the provisions of the Section 292A of the Companies Act, 1956 with the following members:

i. Mr. Deepak Roy, *Chairman*
ii. Mr. Joginder Singh Dhamija, *Member*
iii. Mr. Santosh Kumar Bishwal, *Member*
iv. Mr. Manik Lal Dutta, *Member*

The Chairman of the Committee, Mr. Deepak Roy, Mr. Santosh Kumar Bishwal and Mr. Joginder Singh Dhamija, Members, are Non-Executive and Independent Directors. Mr. Manik Lal Dutta is a Whole Time Director.

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:

a. 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.
b. Changes if any, in accounting policies and practices and reason for the same.
c. Major accounting entries involving estimates based on exercise of judgment by management.
d. Compliance with the listing and other legal requirement relating to financial statement.
e. Disclosure of any related party transaction.
f. 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 3 times during the last fiscal year 2006-2007 and twice till date in the current fiscal year 2007-08.

ii. Remuneration Committee:

The Remuneration Committee was first constituted on 25th July, 2006 and was last 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, Mr. Santosh Kumar Bishwal, Mr. Deepak Roy, and Mr. Gautam Premnath Khandelwal are Non-Executive and Independent Directors.

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 2 times during the last fiscal year 2006-07 and twice till date in the current fiscal year 2007-08.

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, and Mr. Joginder Singh Dhamija are Non-Executive and Independent Directors. Mr. Rameshwar Dayal Aggarwal and Mr. Rajesh Kumar Malik are Whole-time Directors.

The terms of reference of the Share Transfer Committee are as under:

1. To scrutinize the Share transfer application forms receive 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, and Mr. Joginder Singh Dhamija are Non-Executive and Independent Directors. Mr. Rameshwar Dayal Aggarwal and Mr. Rajesh Kumar Malik 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. Deepak Roy and Mr. Santosh Kumar Bishwal are Non-Executive and Independent Directors.

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.

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 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 Draft 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	1.91%
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. 14 of this Draft 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 Draft Red Herring Prospectus at page no. 135-137. 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 Draft 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 Draft Prospectus, the Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Draft 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. Manik Lal Dutta	1.8.2006	-	Appointment as Executive Director
2.	Mr. Kanshi Prasad Pandey		1.12.2006	Resignation
3.	Mr. Ajay Kumar Swarup	1.12.2006	-	Appointment as Managing Director
4.	Mr. Rajesh Kumar Malik	1.12.2006	-	Appointment as Whole-Time Director
5.	Mr. Rameshwar Dayal Aggarwal	1.12.2006	-	Appointment as Whole-Time Director
6.	Mr. Ashok Kumar		20.2.2007	Resignation
7.	Mr. Deepak Roy	20.2.2007	-	Appointment
8.	Mr. Joginder Singh Dhamija	20.2.2007	-	Appointment as Additional Director
9.	Mr. Santosh Kumar Bishwal	20.2.2007	-	Appointment as Additional Director
10.	Mr. Madhav Kumar Swarup		17.4.2007	Resignation

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:

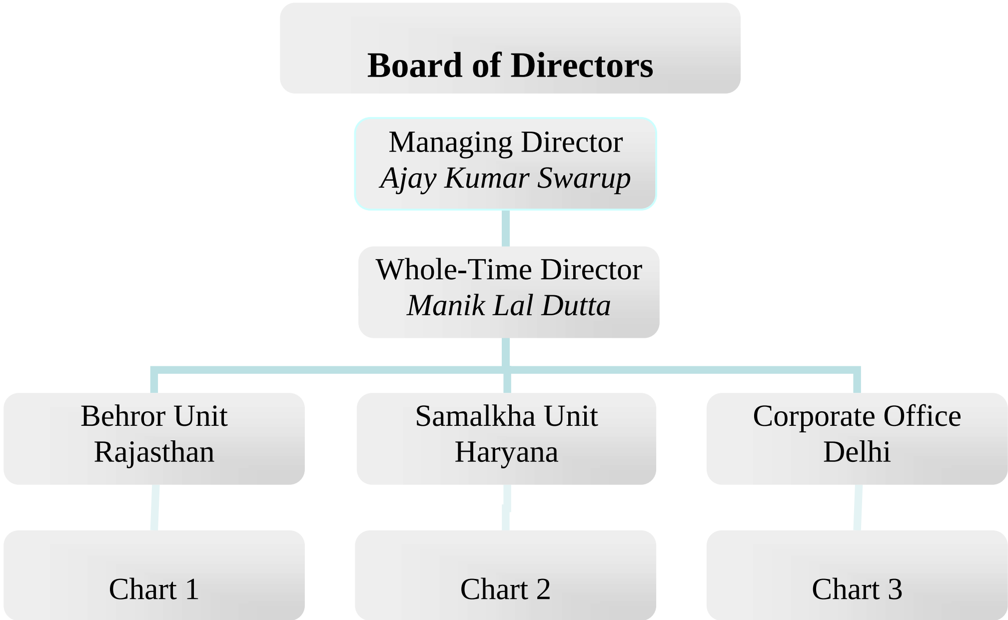

Chart 1:

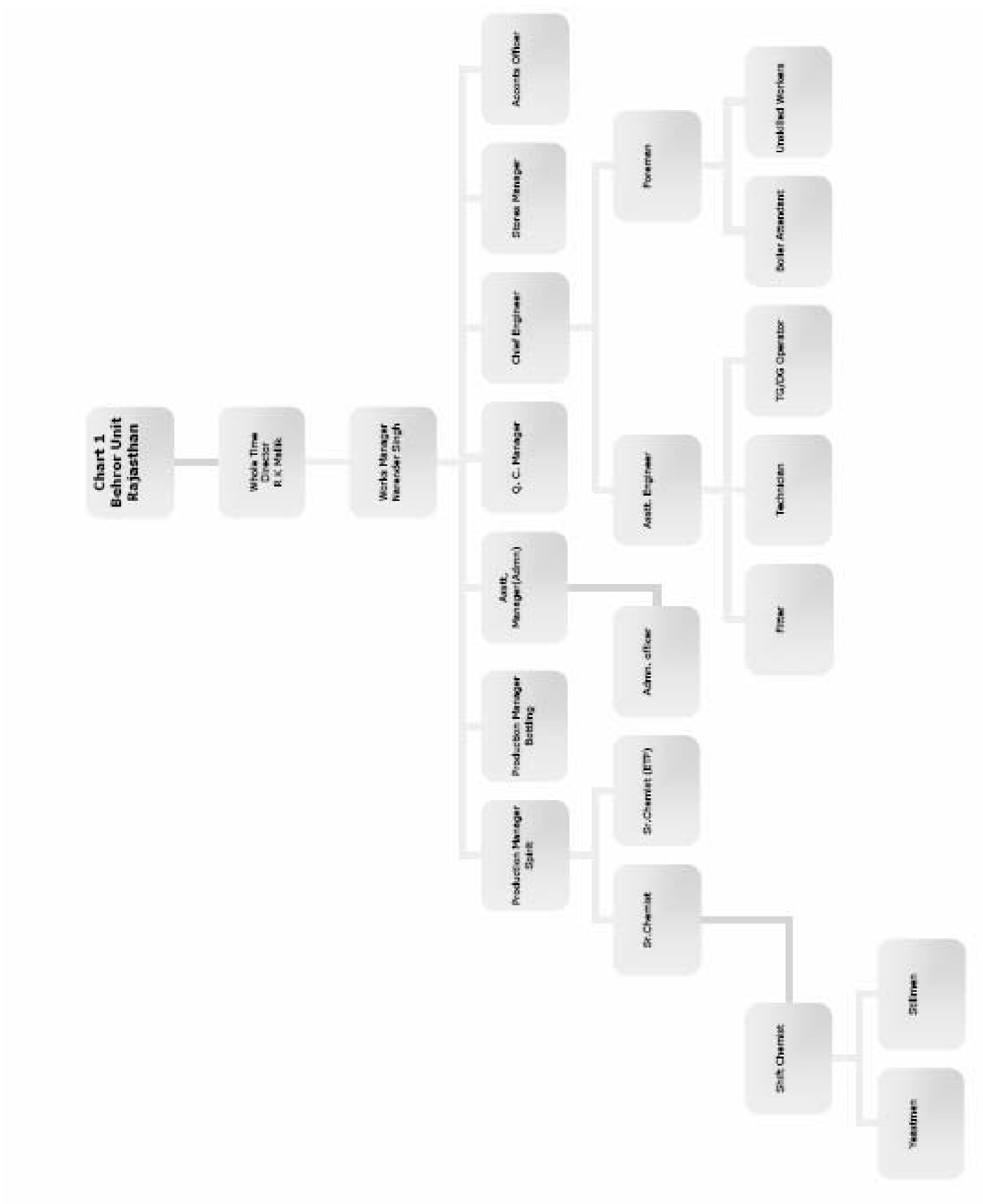
Chart 1
Behror Unit
Rajasthan
Whole Time
Director
Works Manager
Accounts Officer
Stores Manager
Chief Engineer
Q. C. Manager
Asstt.
Manager(Admn)
Production Manager
Bottling
Production Manager
Spirit
Foreman
Asstt. Engineer
Admn. officer
Sr.Chemist (ETP)
Sr.Chemist
Unskilled Workers
Boiler Attendant
TG/DG Operator
Technician
Fitter
Shift Chemist
Stillmen
Yeastmen

Chart 2:

Chart 2
Samalkha Unit
Haryana
Whole Time
Director
R.D Agrawal
Stores Officer
Stores Assistant
Accounts Officer
Office Assistant
Accounts Assistant
Q. C. Officer
C Chemist
Manager Engineering
Elec. foreman
Mech. Foremen
Boiler
Attendant
Production Manager
Bottling
Bottling Chemist
Sr. Chemist
D M P Operator
Production Manager
Plant
Sr. Chemist
Shift Chemist
Still Man
Yeast Man
Factory Manager
Kapil Verma
Sales Executives
E T P / Biocompost
Incharge
E T P Operator
E T P Chemist
Purchaser
Security Incharge
Weighment
Incharge

Chart 3:

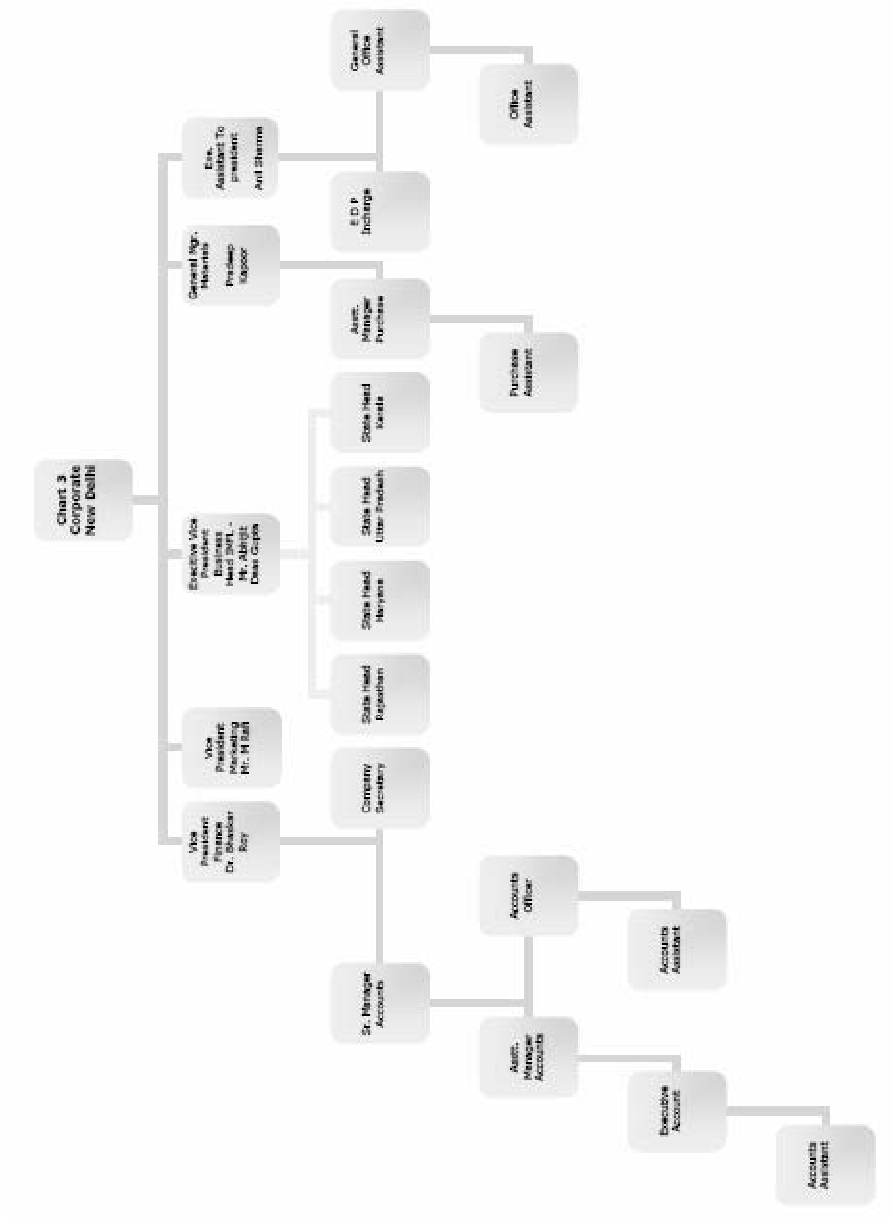
Chart 3
Corporate
New Delhi
Exe. Assistant To president
General Office Assistant
Office Assistant
E D P Incharge
General Mgr. Materials
Pradeep Kapoor
Asstt. Manager Purchase
Purchase Assistant
State Head Kerala
State Head Uttar Pradesh
State Head Haryana
State Head Rajasthan
Company Secretary
Vice President Finance
Dr. Bhaskar Roy
Sr. Manager Accounts
Accounts Officer
Accounts Assistant
Asstt. Manager Accounts
Executive Account
Accounts Assistant

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 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 / Designation
1.	Mr. Abhijit Daasgupta	Executive Vice President- Business Head IMFL	55	B. Com	21.2.2007	33	Tilaknagar Industries Limited *President (Sales & Marketing)*
2.	Dr. Bhaskar Roy	Vice President (Finance)	43	M.Com, FCA, PhD	13.10.2005	20	Saraya Distillery (Unit of Saraya Industries Ltd.) *Chief General Manager (Finance)*
3.	Mr. M. Rafi	Vice President (Marketing)	33	BE(Mechanical) P.G.D.R.M (IRMA), Anand, Executive Education Program, ISB, Hyderabad	1.1.2007	12	SAB Miller India *Brand Manager*
4.	Mr. Pradeep Kapoor	General Manager (Materials)	55	B.Sc, Diploma in Materials Management From Indian Institute Of Materials Management, PGDM, Bharatiya Vidya Bhavan, Delhi	1.9.2006	33	National Industrial Corporation Ltd. *Sr. Vice President*
5.	Mr. Narender Kumar	Works Manager (Behror, Rajasthan)	48	B.Sc (Bio) D.I.F.A.T, National Sugar Institute, Kanpur	21.4.2006	25	Ashoka Distillers Ltd. *Production Manager*
6.	Mr. Kapil Verma	Factory Manager (Samalkha, Haryana)	37	B.A., PGDIR & PM	12.10.1995	11	-
7.	Mr. Santosh Kumar Pattanayak	Company Secretary	30	B.Com, LLB, ACS, Diploma in Computer Software from APTECH	1.9.2005	4	Magnum Strips & Tubes Pvt. Ltd. *Company Secretary*

All the above key managerial personnel are permanent employees.

Brief profile of the Key Managerial Personnel:

Mr.Abhijit Daasgupta, ***Executive Vice President- Business Head IMFL***
Mr. Abhijit Daasgupta, aged 55 years, is a B.Com graduate from the University of Kolkata. He has also done professional course on Managerial Skills from Centre for Organizational Development, Hyderabad and a Senior Management Programme at IIM, Ahmedabad. Mr. Daasgupta started his career with Narang Group (Garment & Liquor Division) as Sales Representative, moved on to Peters & Smith (I) Pvt. Ltd., then to Phipson & Co., Ltd. (UB Group) as Depot Manager, then to Jagatjit Industries Ltd as Area Sales Manager (East). Mr. Daasgupta later joined Carew Phipson Ltd (UB Group) as General Sales Manager (East & South), then to UDV (I) Ltd. as Vice President (Commercial), Shaw Wallace Distilleries Ltd and Mohan Breweries Distilleries Ltd. as Vice President (Sales & Marketing). Prior to joining Globus Spirits he was President (Sales & Marketing) with Tilak Nagar Industries Limited. He has vast experience in the area of sales and marketing in various breweries and liquor companies of repute. Mr. Daasgupta has about 33 years of experience and in Globus he is be responsible for

Strategic Planning, Retail Operations, Key Account Management, Sales & Marketing, Channel & Distribution Management, Brand management etc.

Dr. Bhaskar Roy, *Vice President (Finance)* - aged 43 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 liaisoning with Banks, Financial Institutions and other external agencies. He started his career as Senior Auditor with Baid Sethia & Co., Chartered Accountants, moved to Asiatic Oxygen Ltd. As Finance & Accounts Manager, then to Dhampur Sugar Mills as General Manager (Finance). Before joining the Company, he was with Saraya Industries Ltd. In Globus, he is responsible for all finance, accounts, treasury, corporate laws and public issue matters.

Mr. M. Rafi M, *Vice President (Marketing)*
Mr. M. Rafi, aged 33 years, is a Bachelor in Mechanical Engineering (B.E. Mech), from Regional Engineering College, (REC) Surat and Post Graduate Diploma in Rural Management (PGDRM) from Institute of Rural Management, Anand (IRMA). He has also done an Executive Education Program at the Indian School of Business (ISB), Hyderabad.

Mr. Rafi has about 12 years of experience in reputed companies such as Kirloskar Oil Engines Ltd., Amtrex Appliances Ltd., Hitachi Home Life Solutions, LG Electronics India Ltd, and Whirlpool of India Ltd. In his experience with white goods industry, he gained experience in the areas of sales, product management, corporate communications, market analysis and development, planning and implementing below the line promotional schemes and co-promotions with other brands, brand portfolio strategy, market environment analysis, and product positioning. Prior to joining Globus Spirits, he was Brand Manager with SAB Miller India and was responsible for the Mild Beer Category where he handled brands such as Castle Lager and Royal Challenge Premium Lager, and developing brand plans etc. He has a rich cross-industry and cross-functional exposure, and his unique experience and innovative approach towards new products and Brands will facilitate Globus Spirits' foray into product and brand development and marketing.

In Globus, Mr. Rafi shall be responsible for Marketing-IMFL brands, Client Relationship management, Media planning, Event Management and Public Relations etc.

Mr. Pradeep Kapoor, ***General Manager (Materials)***
Mr. Pradeep Kapoor, aged 55, is B.Sc, Diploma in Materials Management from the Indian Institute of Materials Management and PGDM from Bharatiya Vidya Bhavan, Delhi. He has over 33 years of experience in the areas of Vendor development and procurement. He is in-charge of the day-to-day purchase of all packing stores materials and capital equipments. He started his career with Eicher Tractor Ltd., as Purchase Assistant, moved to Ajanta Tubes Ltd., then to Modern Agencies Ltd. (Unit of Thapar Group) as Purchase Officer, then to UB Group as Purchase Manager, then as Dy. General manager (Purchase) with the Kedia Group (potable alcohol and IMFL manufacturers), then as General Manager (Materials) with MacDonald Mohan Distillers Ltd. (a JV with Glenmorangie of Scotland). Before joining Globus, he was Senior Vice President (Operations & Commercial) with National Industrial Corporation Ltd. Mr. Pradeep Kapoor has vast experience in the liquor Industry in the areas of procurement of raw materials, packing materials, identifying sources and finalizing rates, developing vendors, coordinating with marketing, production and planning departments, stock inventory management, liaisoning with Government and Excise authorities etc.

Mr. Narender Kumar, ***Works Manager (Behror, Rajasthan)***
Mr. Narender Kumar, aged 48, is a B.Sc (Bio) graduate and D.I.F.A.T from National Sugar Institute, Kanpur. He has about 25 years of experience in various distiller companies in the areas of production, quality control etc. He started his career with Barmalt India (Gurgaon), moved to Patiala Distillers Ltd., then to Umeri Distillery Ltd., Chandigarh Distillers Ltd, and Chattisgarh Distillers Ltd. Prior to joining Globus Spirits, he was with Ashoka Distillers Ltd as Production Manager at its Faridabad production facilities. He is actively involved in the Fermentation of grain base, molasses base, Rectified Spirit, Extra-Neutral Alcohol, Country Liquor/IMFL blending, bottling, new product development, research and development etc.

Mr. Kapil Verma, ***Factory Manager (Samalkha-Haryana)***
Mr. Kapil Verma, aged 37 years, is Bachelor of Arts and has completed Post Graduate Diploma in Industrial Relations & Personnel Management. He has about 11 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 is responsible for administration, security, labour welfare, time office, estate management, insurance, upkeep of factory premises, liasioning with excise, sales tax & pollution department etc., effluent management, supervision of purchase, liasioning with Govt. Officers and nearby populace.

Mr. Santosh Kumar Pattanayak, ***Company Secretary***
Mr. Santosh Kumar Pattanayak, aged 30, is B.Com, LLB, ACS, and Diploma in Computer Software from APTECH. He has about 4 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 Draft 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 Draft 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. Abhijit Daasgupta	Executive Vice President-Business Head IMFL	21.2.2007		Appointment
2.	Mr. M. Rafi	Vice President (Marketing)	1.1.2007		Appointment
3.	Mr. Pradeep Kapoor	General Manager (Materials)	1.9.2006		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.

vi. 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 48 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 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 have not been declared as willful 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 the Promoters, nor its directors, any of the company's associates of 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- Promoter being a company:

Name of the Promoter	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

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 limited liability company. The Company later changed its name to Chand Bagh Investments Limited and a fresh Certificate of Incorporation was obtained from Registrar of Companies, Delhi & Haryana on March 18, 1993. The Company has its registered office at C-631, New Friends Colony, New Delhi – 110065.

The main objects of the company 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 Ltd holds 1,13,67,510 Equity Shares in Globus Spirits Limited accounting for 96.68% of the Pre-Issue paid-up capital of the Company.

Promoter

Mr. Ajay Kumar Swarup is the Promoter of the company. Mr. Ajay Kumar Swarup holds 26.16% equity in the company. 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), and Northern Alcohol Sales Pvt. Ltd. in combination hold 49.98% of the company's equity.

Board of Directors

Mr. Ajay Kumar Swarup
Mrs. Madhavi Swarup
Mrs. Saroj Rani Swarup

(As per Certificate of CBIL dated 6.7.2007)

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%**

(As per Certificate of CBIL dated 6.7.2007)

Financials

For details regarding financials of the company please refer to page no. 155-156 of the Draft Red Herring Prospectus.

Declaration by the Promoters

We confirm that the Permanent Account Number, Bank Account number, Company Registration number, and the address of the Registrar of Companies where the company is registered has been submitted to the BSE and NSE at the time of filing of this document with them.

Chand Bagh Investments Limited, its Directors and persons in control of the company have not been declared as willful 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.	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. 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.
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.	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% equity.

For further details on the above, please refer to page no. 154 of this Draft 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. 102 of this Draft 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. 135-137 of the Draft 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 Draft 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 March 31, 2007. The financial information had 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 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";
- 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
- In accordance with the Company's letter dated 8.01.2007 requesting us to carry out work in connection with the offer document being issued by the Company in connection with its public Issue of Equity Shares.

We report that the assets and liabilities of the Company as at March 31, 2003, 2004, 2005, 2006 and 2007 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, 2003, 2004, 2005, 2006 and 2007 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, 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 March 31, 2007 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 : 08.06.2007

ANNEXURE-I

STATEMENT OF ASSETS & LIABILITIES, AS RESTATED

The assets and liabilities of the company as at the end of each five financial year ended on 31st March, 2003, 2004, 2005, 2006 and 2007 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 Lakhs

Particulars	AS ON				
	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007
Fixed Assets:					
Gross Block	2,254.89	2,411.98	2,602.62	3,478.48	4,346.19
Less: Depreciation	1,361.30	1,464.87	1,581.50	1,786.87	2,060.46
Net Block	893.59	947.11	1,021.12	1,691.61	2,285.73
Less: Revaluation Reserve	-	-	-	-	-
Net Block after adjustment for Revaluation Reserve	**893.59**	**947.11**	**1,021.12**	**1,691.61**	**2,285.73**
Capital Work In Progress	22.93	24.42	202.83	13.09	169.16
Total Fixed Assets (A)	**916.52**	**971.53**	**1,223.95**	**1,704.70**	**2,454.89**
Investments (B)	**2.59**	**2.59**	**2.59**	**2.59**	**2.59**
Current Assets, Loan & Advances:					
Interest accrued but not due	0.83	0.79	0.93	1.06	0.93
Inventories	163.69	267.24	532.25	443.09	989.08
Sundry Debtors	421.05	550.23	425.90	511.49	999.04
Cash & Bank Balances	38.89	47.78	31.85	58.26	175.01
Loan & Advances & others	318.35	261.24	482.47	358.51	494.20
Deferred Revenue-Brand Promotion Exps					88.37
Total (C)	**942.81**	**1,127.28**	**1,473.40**	**1,372.41**	**2,746.63**
Liabilities & Provisons:					
Secured Loans	1.97	64.79	255.62	241.62	711.59
Unsecured Loans	30.00	49.39	126.14	53.97	143.38
Deferred Tax Liability	-	25.13	64.78	105.79	271.34
Current Liabilities and Provisions	712.96	827.17	1,093.97	994.78	1,528.54
Total (D)	**744.93**	**966.48**	**1,540.51**	**1,396.16**	**2,654.85**
Net Worth (A+B+C - D)	**1,116.99**	**1,134.92**	**1,159.43**	**1,683.54**	**2,549.26**
Represented by Share Capital (I)	768.85	768.85	768.85	768.85	768.85
Reserves	349.81	367.82	391.76	915.64	1,781.16
Less :Revaluation Reserve	-	-	-	-	-
Reserves (Net of Revaluation Reserves)II	**349.81**	**367.82**	**391.76**	**915.64**	**1,781.16**
Less Miscellaneous Expenditure III	1.67	1.75	1.18	0.95	0.75
Net Worth (I+II-III)	**1,116.99**	**1,134.92**	**1,159.43**	**1,683.54**	**2,549.26**

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

ANNEXURE-II

STATEMENT OF PROFIT & LOSSES, AS RESTATED

Rs. in Lakhs

Particulars	FOR THE YEAR ENDED				
	31-Mar-03	**30-Mar-04**	**31-Mar-05**	**31-Mar-06**	**31-Mar-07**
INCOME					
Turnover:					
Manufactured Goods	4,187.08	4,792.63	6,795.65	8,683.41	11,666.70
Gross Sale	**4,187.08**	**4,792.63**	**6,795.65**	**8,683.41**	**11,666.70**
Less:					
Excise Duty Consumed	-	-	-	-	467.17
Net Sales(i)	**4,187.08**	**4,792.63**	**6,795.65**	**8,683.41**	**11,199.53**
Other Income	6.41	47.86	14.75	16.61	49.21
Sub-Total (ii)	**6.41**	**47.86**	**14.75**	**16.61**	**49.21**
Increase (Decrease) in Inventories	(34.08)	67.28	212.56	(62.47)	123.50
TOTAL INCOME (A)	**4,159.41**	**4,907.77**	**7,022.96**	**8,637.55**	**11,372.24**
EXPENDITURE					
Raw Material & Packing Material Consumed	2,364.74	2,598.76	4,316.38	5,593.92	7,167.89
Staff Costs	64.88	68.28	86.20	138.58	201.65
Manufacturing Expenses	463.00	463.34	999.77	1,539.71	2,005.28
Administrative & Selling Expenses	1,129.16	1,609.90	1,413.12	499.90	423.34
Interest & Financial Charges	5.25	7.78	20.24	40.29	53.29
Depreciation	115.22	115.11	118.71	205.37	273.83
Preliminary/Deferred revenue Expenses Written Off	0.51	0.66	0.57	0.22	22.30
TOTAL EXPENDITURE (B)	**4,142.76**	**4,863.83**	**6,954.99**	**8,017.99**	**10,147.58**
Net Profit before tax and extra-ordinary items. (A-B)	**16.65**	**43.94**	**67.97**	**619.56**	**1,224.66**
Add: Income Tax Refund / MAT credit entitlement	**-**	**-**	**-**	**-**	**29.99**
Less:					
Provision for Current Tax	-	-	3.74	51.90	220.00
Provision for Deferred Tax	-	25.13	39.65	41.01	165.55
Income Tax/Exp. for Earlier Year/FBT	9.94	0.80	0.64	2.77	3.58
Net Profit After Tax and Extra-Ordinary items	**6.71**	**18.01**	**23.94**	**523.88**	**865.52**

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

Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition inclusive of freight, duties, taxes & other directly attributable costs incurred to bring the assets to their working condition for the intended 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, & 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 valued at cost price.

6. REVENUE RECOGNITION

a) Revenue in respect of domestic sale of the goods and scrap material is recognized at the point of dispatch to the customers from warehouse
b) Sales are net of Sales Tax, Excise Duty and Sales return.
c) Investment income: Income from investments is accounted for in the year in which right to receive of 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 provide for as per the actuary’s valuation.

8. 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 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 LAST FIVE YEARS

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 then 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 from the year ended 31.03.2007 in respect of secured loans is Rs. 1,08,01,988/-.

4. Other liabilities include Dharmada for the year ended 31.03.2007 is Rs. 4,21,115/- Collected from customer. There is no other specific liability against this amount.

5. The profit & loss account and Balance sheet comply with accounting standards referred to in section 211(3C) of the companies Act 1956.

6. Accounting Standard (AS) -17 "Segment Reporting " is not applicable in case of company because company is involved in only one type of product Industrial & Potable Alcohol.

7. There is no amount due to small-scale industries over Rs.1 lac shown under the head "sundry Creditors"

8. "Deferred revenue- Brand Promotion Expenses" appearing in the table "Loans & Advances" are the expenditure incurred on promoting company's new IMFL brands already launched during the year and also the brands which are yet to be launched in the financial year 2007-08 and which will give perpetual benefit to the company. This amount will be written off in five years.

9. 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)		
	M/s Rambagh Estate Pvt. Ltd.	(Transaction occurred only during 2006-07)	
	M/s SVP Industries Ltd.	(Transaction occurred only during 2005-06 and not a related party during 2006-07)	
	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	President up to 30/11/2006	
Relatives of Key Management Personnel:	**Name of Key Management Person**	**Name of Relative**	**Relationship**
	NIL	NIL	NIL

Related Party Transactions for period ended on 31st March 2007

(Rs. in lakhs)

Particulars	**Key Management Personal**	**Relative of Key Management Personnel**	**Enterprises Significantly influenced by Key Management Personnel and Relatives**
Transactions			
Salary & Other Allowances	6.80	NIL	
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 company's products			113.37
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

Related Party Transaction for year ended as on 31st March 2006

(Rs. in lakhs)

Particulars	**Key Management Personal**	**Relative of Key Management Personnel**	**Enterprises Significantly influenced by key Management Personnel and Relatives**
Transactions			
Salary & Other Allowances	8.44	NIL	
Sales of Goods to Associates to ADL			361.89
Purchase of Raw Material, Goods from Associates from SVP Industries Ltd			24.46
Other Transaction with Associates			NIL
Outstanding:			
Amount payable to SVP Industries Ltd			2.67
Amount recoverable from ADL			62.13

Related Party Transaction for year ended as on 31st March 2005

(Rs. Lakhs)

Particulars	**Key Management Personnel**	**Relative of Key Management Personnel**	**Enterprises Significantly influenced by key Management Personnel and Relatives**
Transactions			
Salary & Other Allowances	1.09*	NIL	
Sales of Goods to Associates			NIL
Purchase of Raw Material, Goods from ADL			76.79
Other Transaction with Associates			NIL
Outstanding:			
Amount recoverable from ADL			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

10. Taxation
Current tax is the provision made as per the normal income tax rate.

11. 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 & on such examination , it has been found that none of the indicators are present in the case of company . There is no indication of a potential impairment loss, so estimation of recoverable amount has not been made.

12. Insurance claims which are of not significant value are accounted for on receipt basis.

13. Figures in the Restated Summary Statements have been appropriately regrouped to confirm with the reclassification made in the subsequent years.

14. Figures has been rounded off to the nearest rupee.

15. Information required under paragraph 4-D of Schedule VI of the Companies Act,

A Licensed and Installed Capacity and Production:

BL In Lac Per Annum	2006-07	2005-06	2004-05	2003-04	2002-03
Licensed Capacity (Rectified Spirit)	288.00	288.00	288.00	288.00	288.00
Installed Capacity (Rectified Spirit)	288.00	288.00	288.00	288.00	288.00

(Being a technical matter, not verified by the Auditors).

B Quantitative Details

			2006-07		2005-06		2004-05		2003-04		2002-03	
			Quantity (In Lac)	Value(Rs.) (In Lac)	Quantity (In Lac)	Value (Rs. (In Lac)	Quantity (In Lac)	Value (Rs. (In Lac)	Quantity (In Lac)	Value (Rs. (In Lac)	Quantity (In Lac)	Value(Rs. (In Lac)
a)	**Production**											
	Industrial Alcohol (Beh)	BL	107.97		90.84	-	102.86		28.03		28.42	
	Industrial Alcohol (Sam)	PL	187.49		99.20		20.62		-		-	
	ENA	BL	40.28		52.06	-	59.97		41.57		35.45	
	Country Liquor	PL	111.84		71.82	-	24.59		29.38		34.13	
	Country Liquor/IMFL(Beh	Cases	17.25		10.33		3.25					
	IMFL	Cases					4.59		4.70		4.07	
	RTD Bottled	Cases					0.06		0.07		-	
b)	**Opening Stock**											
	Industrial Alcohol (Beh)	BL	1.18	30.89	1.82	51.67	3.25	50.00	1.09	20.26	1.93	21.76
	Industrial Alcohol (Sam)	PL	6.97	124.71	2.99	34.64	0.77	9.88				
	ENA	BL	0.71	20.12	0.63	19.09	1.22	20.92	0.30	6.11	0.93	11.29
	Country Liquor- Blend	PL	0.57	10.42	0.52	5.44	0.41	7.97				
	IMFL Blend	BL	-	-	0.78	11.61	0.65	6.18	0.22	4.54	1.02	8.76
	IMFL Bottling	Cases	-	-	0.37	110.53	0.18	42.88	0.17	46.13	0.21	55.45
	Bottling Blending Stock C	BL	0.56	15.39	0.38	7.73						
	CL-Bottled Stock -Behror	Cases	0.28	48.56	0.43	94.57						
	CL-Bottled Stock-Samalkh	PL	1.37	43.50	0.43	15.32	0.10	2.04			1.05	13.85
	RTD Bottle Stock	Cases	0.00	0.81	0.01	6.29	0.02	4.45				
	Molasses	QTL	0.08	40.78	0.02	9.10	0.07	18.49	0.07	19.62	0.04	10.37
	Bajra/ Rice Flour	QTL	0.01	5.11	0.03	21.13	0.01	4.63	0.01	4.63	0.01	4.63
	Raw Material Others			21.14		-		13.74		9.34		4.86
c)	**Closing Stock**											
	Raw Material											
	Molasses	QTL	0.28	135.06	0.08	40.78	0.02	9.10	0.07	18.49	0.07	19.62
	Bajra/ Rice Flour	QTL	0.28	212.29	0.01	5.11	0.03	21.13	0.01	4.63	0.01	4.63
	Raw Material (Others)			15.19		21.14				13.74		9.34
	BLEND											
	Bottling/Blending Stock- (	PL	2.30	33.60	0.57	10.42	0.38	7.73	0.41	7.97		
	C/L Blend (Behror)	BL	1.39	13.89	0.56	15.39	0.52	5.44				
	IMFL Blend	BL	-	-	-	-	0.78	11.61	0.65	6.18	0.22	4.54
	Finished Goods											
	Industrial Alcohol (Beh)	BL	1.16	31.03	1.18	30.89	1.82	51.67	3.25	50.00	1.09	20.26
	Industrial Alcohol (Sam)	PL	14.48	207.99	6.97	124.71	2.99	34.64	0.77	9.88		
	ENA	BL	1.08	30.55	0.71	20.12	0.63	19.10	1.22	20.92	0.30	6.11
	CL-Bottled Stock (Sam)	PL	1.09	29.33	1.37	43.50	0.43	15.32	0.10	2.04		
	CL-Bottled at Behror	Cases	0.19	37.53	0.28	48.56	0.43	94.57				
	IMFL Bottled Stock (Beh.)	Cases					0.37	110.53	0.18	42.88	0.17	46.13
	CL Stock - Delhi Godown	Cases	0.22	33.18	-	-						
	RTD Bottle Stock	Cases	0.00	0.81	0.00	0.81	0.01	6.29	0.02	4.45		

			2006-07		2005-06		2004-05		2003-04		2002-03	
			Quantity	**Value(Rs.)**	**Quantity**	**Value (Rs.)**	**Quantity**	**Value (Rs.)**	**Quantity**	**Value (Rs.)**	**Quantity**	**Value(Rs.)**
			(In Lac)	(In Lac)	(In Lac)	(In Lac)	(In Lac)	(In Lac)	(In Lac)	(In Lac)	(In Lac)	(In Lac)
d)	**Sales**											
	Industrial Alcohol (Beh)	BL	22.36	393.11	21.19	474.50	31.81	889.48	20.75	324.65	23.14	399.42
	Industrial Alcohol (Sam)	PL	66.42	1,197.56	36.91	661.61	-					
	ENA	BL	36.71	1,059.17	14.06	1,080.81	44.93	1477.37	29.80	575.46	26.30	539.30
	Bottled - IMFL	Cases	-	-	0.75	736.37	4.39	2852.49	4.69	2814.76	4.10	2194.70
	Bottled- Country Liquor(San	PL	112.06	4,844.78	70.79	2,731.33	24.24	891.11	29.22	1049.38	34.11	1053.66
	C/L-Bottled Behror	Cases	17.26	3,654.73	1.01	2,977.33	2.81	648.91				
	Bottled-RTD	Cases	-	-	0.01	3.17	0.06	36.28	0.05	28.38		
	Sales (others)			517.35		18.29		14.75		5.81		5.07
e)	**Raw Material consumed**			-								
	ENA Consumed	**BL**							2.48	57.96	0.44	10.19
	Ruskat	**QTL**							0.02	11.47	0.12	82.25
	Molasses	QTL	3.35	1,610.18	1.86	884.53	2.00	945.61	2.84	806.10	2.84	820.49
	Bajra/ Rice Flour	QTL	3.48	2,660.88	3.05	2,145.76	2.12	1600.08				
	Rectified Spirit (CL) (Beh)	BL	0.12	2.88	1.56	29.46	5.20	238.72	1.00	18.54		
	Rectified Spirit (Sam)	PL	1.85	32.26	-	-			29.84	450.62	34.41	392.03
	Rectified Spirit (IMFL)	BL	-	-	13.97	239.77						
	Raw Material Others		-	24.34	-	43.81		42.99		65.51		25.53
	Total		-	4,330.55		3,343.33		2,827.40		1,410.20		1,330.49
f)	**Value of Imports Calculated**			-		-						
	on CIF basis			NIL		NIL		NIL		NIL		NIL
g)	**Outflow in**											
	Foreign Currency			NIL		NIL		NIL		NIL		NIL
h)	**Inflow in**											
	Foreign Currency			NIL		NIL		NIL		NIL		NIL

16. **Change of Name:**

The name of the company was changed from Globus Agronics Limited to Globus Spirits Limited w.e.f. 23rd January 2007.

ANNEXURE-V

STATEMENT OF CASH FLOW

(Rs. In Lakhs)

PARTICULARS	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Mar-07
(A) CASH FLOW FROM OPERATING ACTIVITIES:					
Net Profit/(Loss) before Tax, Adjustment for prior period and extra ordinary activities	6.71	43.14	67.32	616.80	1221.08
Adjustment for:-					
Depreciation	115.22	115.11	118.71	205.37	273.83
Interest Paid	5.25	7.78	20.24	40.29	53.29
Dividend Income	(0.01)	0.00	(0.04)	0.00	(0.04)
Loss / profit on Sale of Fixed assets	(0.06)	(2.06)	0.12	0.00	(0.07)
Other Income	(6.34)	(45.80)	(14.82)	(16.61)	(49.10)
Preliminary Expenses	0.51	0.66	0.57	0.22	22.30
Interest Received	0.00	0.00	0.00	0.00	0.00
Operating Profit before Working Capital Changes-	**121.28**	**118.83**	**192.10**	**846.07**	**1521.29**
Adjustment for:-					
Inventories	11.14	(103.55)	(265.01)	89.17	(545.99)
Sundry Debtors	(14.80)	(129.17)	124.33	(85.59)	(487.56)
Other Current Assets	(74.05)	57.15	(221.36)	123.82	(135.56)
Current Liabilities & other payable	(15.57)	114.21	263.06	(151.09)	343.75
Cash Generated from Operations	**28.00**	**57.47**	**93.12**	**822.38**	**695.93**
Cash Generated before Prior Year Adjustment-	**28.00**	**57.47**	**93.12**	**822.38**	**695.93**
NET CASH FROM OPERATING ACTIVITIES (A)	**28.00**	**57.47**	**93.12**	**822.38**	**695.93**
(B) CASH FLOW FROM INVESTING ACTIVITIES:					
Addition in Fixed Assets	(35.72)	(176.08)	(371.64)	(686.12)	(1024.66)
Increase In Deffered Revenue Expenditure	0.00	(0.75)	0.00	0.00	(110.46)
Addition in Investment	(2.24)	0.00	0.00	0.00	0.00
Sale Proceeds of Fixed Assets	2.54	8.02	0.40	0.00	0.70
Misc. Income	6.34	45.80	14.82	16.61	49.10
Interest Received	0.00	0.00	0.00	0.00	0.00
Dividend Received	0.01	0.00	0.04	0.00	0.04
NET CASH USED IN INVESTING OPERATING	**(29.07)**	**(123.01)**	**(356.38)**	**(669.51)**	**(1085.28)**
(C) CASH FLOW FROM FINANCING ACTIVITIES:					
Interest Paid	(5.25)	(7.78)	(20.24)	(40.29)	(53.29)
Increase in Secured Loan	(1.61)	62.82	190.83	(14.00)	469.98
Increase in Unsecured Loan	0.00	19.39	76.75	(72.17)	89.41
NET CASH USED IN FINANCING ACTIVITIES (C)	**(6.86)**	**74.43**	**247.34**	**(126.46)**	**506.10**
Net Increase/Decrease in Cash & Cash Equivalents	(7.93)	8.89	(15.92)	26.41	116.75
Cash & Cash Equivalents at the begning of the year	46.81	38.88	47.77	31.85	58.26
Cash & Cash Equivalents at the closing of the year	38.88	47.77	31.85	58.26	175.01

ANNEXURE-VI

STATEMENT OF SECURED LOAN

(Rs. in lakhs)

PARTICULARS	As On				
	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Mar-07
Term Loan					
From State Bank of India	---	---	---	---	380.67
From Punjab National Bank	---	---	117.89	107.90	---
Sub-Total (a)	**---**	**---**	**117.89**	**107.90**	**380.67**
Working Capital Facility (Cash Credit)					
From State Bank of India	---	---	---	---	291.81
From Punjab National Bank	---	21.42	99.17	99.98	---
Sub-Total (b)	**---**	**21.42**	**99.17**	**99.98**	**291.81**
Vehicle Loans	1.97	43.37	38.55	33.73	39.11
Sub-Total (c)	**1.97**	**43.37**	**38.55**	**33.73**	**39.11**
TOTAL (a+b+c)	**1.97**	**64.79**	**255.61**	**241.61**	**711.59**

STATEMENT OF SECURED LOAN AS AT 31'st MARCH 2007

(Rs. in Lakhs)

PARTICULARS OF LOANS	Bank	Sanctioned Amount	Outstanding	Rate of Interest P.A.	Repayment of Terms	Securities offered
A. Term Loans	State Bank of India	408.00	380.67	**14% for 108.00 lacs** **11.5%for 300.00lacs**	Rs.5lac per quarter. Rs.18lac per quarter.	Primarily secured by all the fixed assets of the company including EM of factory Land & Building. colleterally secured by all current assets of the company. Personally guaranteed by sh. Madhav K. Swarup and Sh. Ajay K. Swarup and corporate Guarantee given by M/s Chandbagh Investments Ltd.
B-Working Capital Facility(Fund Based)	State Bank of India	400.00	291.81	**11.0%**	**repayable on demand**	Primarily secured by hypothecation of all the current assets of the company and colleterally secured by all the fixed assets of the company also guranteed by Sh. Madhav K. Swarup and Sh. Ajay K. Swarup and M/s Chandbagh Investments Ltd.
NON FUND BASED(Bank Gurantee & LC)	State Bank Of India	100.00	NIL	Margin 15%	For Bank Gurantee- 36 months & For LC- 90 days	
C.Hire Purchase Loans	ICICI Bank	6.19	4.41	**9.0%**	60 monthly instalments	hypothecation of specified veichles
	ABN AMRO	27.00	8.46	**6.3%**	59 monthly instalments	
	ICICI Bank	6.77	5.53	**9.9%**	60 monthly instalments	
	ICICI Bank	5.55	2.66	**8.7%**	60 monthly instalments	
	ICICI Bank	21.00	6.04	**8.3%**	60 monthly instalments	
	ICICI Bank	6.08	6.01	**12.1%**	60 monthly instalments	
	ICICI Bank	6.07	5.99	**12.4%**	60 monthly instalments	
GRAND TOTAL			**711.58**			

ANNEXURE-VII

STATEMENT OF UNSECURED LOANS

Rs. in Lakhs

Particulars	31-Mar-03	30-Mar-04	31-Mar-05	31-Mar-06	31-Mar-07
Inter Corporate Deposits	30.00	47.39	47.66	48.45	17.38
From Others	-	2.00	78.48	5.52	-
Global Trade Finance Ltd					126.00
TOTAL	**30.00**	**49.39**	**126.14**	**53.97**	**143.38**
Rate of Interest a)FOR ICD & Others	Bearing no interest	Bearing no interest	Bearing no interest	Bearing no interest	Bearing no interest
b)Global Trade Finance Ltd (Factoring facility)	NA	NA	NA	NA	11%
Repayment Terms a)FOR ICD & Others	Payable on Demand	Payable on Demand	Payable on Demand	Payable on Demand	Payable on Demand
b)Global Trade Finance Ltd (Factoring facility)	NA	NA	NA	NA	Payable on end of Bill discounted Period

ANNEXURE-VIII

STATEMENT OF INVESTMENTS

Rs. in Lakhs

QUOTED INVESTMENT	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007
INVESTMENT IN MUTUTAL FUND					
Units in Kothari Pioneer FMCG Funds	0.17	0.17	0.17	0.17	0.17
INVESTMENT IN EQUITY SHARES IN COMPANIES					
Burroughs Welcome(India) Ld.	0.18	0.18	0.18	0.18	0.18
TOTAL (A+B)	0.35	0.35	0.35	0.35	0.35
UNQUOTED INVESTMENTS	2.24	2.24	2.24	2.24	2.24
TOTAL (A+B+C)	2.59	2.59	2.59	2.59	2.59

ANNEXURE-IX

STATEMENT OF SUNDRY DEBTORS

Rs. in Lakhs

Particulars as at	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Mar-07
Unsecured (Considered Goods unless otherwise stated)					
Less than 6 months					
Considered Good - from associated co.	-	-	-	8.25	258.44
Considered Good - from others	305.68	473.24	337.74	358.93	573.37
More than 6 months					
Considered Good - from associated co.	-	-	-	-	-
Considered Good - from others	82.20	63.27	79.05	125.11	161.30
Considered Doubtful	33.17	13.72	9.11	19.20	5.94
Less: Provision for Doubftul debts	-	-	-	-	-
Total	**421.05**	**550.23**	**425.90**	**511.49**	**999.05**

ANNEXURE-X

STATEMENT OF LOAN & ADVANCES

Rs. in Lakhs

Considered Good unless otherwise stated	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Mar-07
Unsecured,Advances Recoverable in cash or in kind					
Considered Good-Others	179.04	171.46	359.23	222.98	289.89
Considered Good- Associated Company	91.83	44.78	60.78	53.88	75.33
Other Recoverable	0.10	0.10	12.60	10.01	10.01
Security & Other Deposits	45.17	38.45	31.46	54.28	70.41
Advance Tax & TDS	2.21	6.45	18.40	17.35	48.56
Total	**318.35**	**261.24**	**482.47**	**358.50**	**494.20**

ANNEXURE-XI

STATEMENT OF CURRENT LIABILITIES & PROVISIONS

Rs. In Lacs

Particulars as at	31st Mar 03	31st Mar 04	31st Mar 05	31st Mar 06	31st Mar 07
Sundry Creditors	579.39	708.14	945.89	782.95	1,040.37
Creditors for capital goods	36.81	22.23	25.30	37.89	122.61
Advances from Customers	30.54	18.61	7.81	14.23	74.17
Other Liabilitiesincluding provisions	66.22	78.18	114.97	159.71	291.37
TOTAL	**712.96**	**827.16**	**1,093.97**	**994.78**	**1,528.52**

ANNEXURE-XII

STATEMENT OF CONTINGENT LIABILITIES

Rs. in Lacs

Particulars	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Mar-07
Bank Guarantee	1.10	1.10	1.10	8.28	-
Income Tax matter in appeal	-	-	-	66.69	-
Total	**1.10**	**1.10**	**1.10**	**74.97**	**-**

ANNEXURE –XIII

STATEMENT OF OTHER INCOME

Rs in Lakhs

Particulars	31-Mar-03	30-Mar-04	31-Mar-05	31-Mar-06	31-Mar-07	Remarks
OTHER INCOME						
Interest Received	-	-	-	-	6.32	Non Recurring
Dividend Income	0.01	-	0.04	-	0.04	Recurring
Misc. Receipt	6.12	14.93	14.82	16.61	41.33	Recurring
Excess Provision Written Back	0.22	30.87			1.45	Non Recurring
Profit On Sale Of Fixed Assets	0.06	2.06	(0.12)	-	0.07	Non Recurring
Total	**6.41**	**47.86**	**14.74**	**16.61**	**49.21**	

ANNEXURE-XIV

STATEMENT OF ACCOUNTING RATIOS

Particulars	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Mar-07
EARNING PER SHARE (EPS)					
Net Profit after Tax attributable to Equity Share Holders (Rs. In Lacs)	6.71	18.01	23.94	523.88	865.52
No. of Shares	7688494	7688494	7688494	7688494	7688494
Nominal Value of Share (Rs.)	10/-	10/-	10/-	10/-	10/-
Earning per Share (EPS) (Rs.)	0.09	0.23	0.31	6.81	11.25
Return on Net Worth (RONW)					
Profit after Tax (Rs. in Lacs) (A)	6.71	18.01	23.94	523.88	865.52
Net Worth (Rs. in Lacs) (B)	1116.99	1134.92	1159.43	1683.53	2549.26
RONW % (A/B)	0.60	1.59	2.06	31.12	33.95
Net Assets Value Per Share					
Total Assets (Rs. In Lacs) (A)	1861.92	2101.40	2699.95	3079.70	5204.12
Total Liabilities (Rs. In Lacs) (B)	744.93	966.47	1540.51	1396.17	2654.86
Assets Value (Rs. In Lacs) (C)=(A-B)	1116.99	1134.93	1159.44	1683.53	2549.26
No. of Shares (D)	7688494	7688494	7688494	7688494	7688494
Net Assets Value Per Share (Rs.)- (C/D)	14.53	14.76	15.08	21.90	33.16

Notes: The ratios have been computed as below:

$$\text{Basic Earning per share (Rs.)} = \frac{\text{Net Profit after Tax restated attributable to Equity Share Holders}}{\text{Number of Equity Shares Outstanding during the Year (as adjusted)}}$$

$$\text{Return on Net Worth (\%)} = \frac{\text{Net Profit after Tax as restated}}{\text{Net Worth as restated, at the end of the Year}}$$

$$\text{Net Assets Value per share (Rs.)} = \frac{\text{Net Worth as restated, at the end of the Year}}{\text{Number of Equity Shares Outstanding during the Year (as adjusted)}}$$

ANNEXURE-XV

CAPITALISATION STATEMENT

Rs. in Lakhs

Particulars	**Pre-issue as at 31.03.07**	**Post Issue** **(at an offer price of Rs. *)**
Short Term Debt	474.30	474.30
Long Term Debt	380.67	380.67
Total Debt	**854.97**	**854.97**
Shareholder's Fund		*
Share Capital	768.85	*
Reserves & Surplus	1781.16	*
Sub-Total	2550.01	*
Less: Preliminary Expenses not written off	0.75	
Total Shareholders Fund	**2549.26**	*
Long Term Debt/Equity	0.15	*

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					
FINANCIAL YEAR	**31-Mar-03**	**30-Mar-04**	**31-Mar-05**	**31-Mar-06**	**31-Mar-07**
Profit & Loss as per book of account	6.71	43.14	67.32	616.80	1224.66
Tax rates (Normal including surcharge)	36.75	35.875	36.5925	33.66	33.66
Notional Tax Payable at Normal Rates	0.01	-	-	21.91	-
ADJUSTMENT					
Permanent Difference					
Tax Free Income	-	-	-	-	0.04
Capital Gains as per return	(0.06)	(2.06)	-	-	0.07
Disallownace as per return	12.87	2.84	2.76	2.82	-
Other Adjustment	(0.01)	-	-	-	0.20
Timing Difference					
Difference between Tax depreciation & book depreciation	19.22	13.25	0.84	(458.19)	(487.06)
Disallownaces u/s 43-B	0.98	1.64	-	-	-
Other Adjustment	-	-	-	-	(88.37)
Net Adjustment	**33.00**	**15.67**	**3.60**	**(455.37)**	**(575.12)**
Tax Saving thereon	-	-	-	153.28	193.59
Total Taxation	14.60	21.10	25.95	54.34	218.61
Tax on Brought Forward unabsorbed depreciation	14.59	**21.10**	**25.95**	**32.42**	**-**
Normal Tax Payable	**0.01**	**-**	**-**	**21.92**	**218.61**
Taxable Income as per MAT	**-**	**-**	**47.68**	**616.84**	**1,224.73**
Tax as per Income Tax Return (MAT Ta	**-**	**-**	**3.74**	**51.91**	**137.41**

Notes:

1. The figures in the above statement for the year ended 31st March 2007 are provisional and would be finalized at the time of filing of income tax return.
2. 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 ;

None 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.

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 ;

None 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.

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 ;

None 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.

D. On the accounts of the Financial Year 2005-2006
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.

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:

I. SECURED LOANS

a. EXISTING TERM LOAN FACILITIES:

(Rs. in lakhs)

Sl. No.	Name of the Bank	Amount Sanctioned	Amount Disbursed	Repaid till date	Principal Amount Outstanding as on 31.5.2007
1.	State Bank of Limited	* 94	94	4.03	89.97
2.	State Bank of Limited	300	286	20.62	265.38

* 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.

b. PROPOSED TERM LOAN FACILITIES:

(Rs. in lakhs)

Sl. No.	Name of the Bank	Amount Sanctioned	Amount Disbursed	Repaid till date	Principal Amount Outstanding as on date
1.	State Bank of Limited	1200	-	-	-

c. EXISTING WORKING CAPITAL FACILITIES:

(Rs. in lakhs)

Sl. No.	Name of the Bank	Amount Sanctioned
1.	State Bank Of India	400.00

d. DETAILS OF CAR LOAN (31.05.2007)

(Rs. in lakhs)

Sl. No.	Name of the Bank	Amount Sanctioned	Amount Disbursed	Repaid till date	Principal Amount Outstanding as on 31.5.2007
1.	ICICI Bank LAN No. LADEL00004246672	6.19	6.19	1.97	4.22
2.	ICICI Bank LAN No. LADEL00005876983	6.77	6.77	1.44	5.33
3.	ICICI Bank (Qualis)	5.55	5.55	3.04	2.51
4.	ICICI Bank LAN No. LADEL00001334238	21.00	21.00	15.72	5.28
5.	ICICI Bank LAN No. LADEL00010060968	6.08	6.08	0.15	5.93
6.	ICICI Bank LAN No. LADEL00010013417	6.07	6.07	0.15	5.92
7.	ABN AMRO A/c. No. 9081777	27.00	27.00	19.50	7.50

DETAILS OF THE ABOVE TERM LOANS ARE AS UNDER:

Term loan Rs. in lakhs	Repayment Period/Schedule/ Commitment Fee/Prepayment Charges	Interest	Moratorium	Prime/Collateral security	Guarantees
SBI Term Loan Rs. 94 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 i.e., 14% p.a. 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 Chandbagh Investments Ltd.
SBI Term Loan Rs. 286 lakhs (Existing) Original Term Loan of Rs. 600 lakhs from Punjab National Bank. Taken over by SBI 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 17th instalment of Rs. 12 lakhs. Commitment Fee: 1% for delayed drawdown beyond 2 months. Prepayment Charges: 2% of the Prepaid Amount.	SBAR i.e., 11.5% p.a. 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 Chandbagh Investments Ltd.
SBI Term Loan Rs. 1200 lakhs (Fresh loan dated 9.2.2007)	16 quarterly instalments of Rs. 75 lakhs each commencing March 2008 and ending in December 2011. Commitment Fee: 1% for delayed drawdown beyond 2 months. Prepayment Charges: 2% of the Prepaid Amount.	0.5% below SBAR i.e., 11% p.a. at monthly rests (with reset clause at 2 years interval).	1 year	Primary: First charge on all fixed assets, including EM of two factory land and building at: Samalkha, Haryana and Behror, Rajasthan. Collateral: Extension of charges on all current assets of the Company.	Personal 1. Mr. Madhav Kumar Swarup 2. Mr. Ajay Kumar Swarup Corporate Guarantee: M/s Chand Bagh Investments Ltd.
SBI Corporate Loan Rs. 400 lakhs (Fresh loan dated	To be liquidated in March 2008 by 31.3.2008. The Corporate Loan can also be repaid out of the proceeds of IPO before March	0.5% below SBAR i.e., 11% p.a. at monthly rests.	-	Primary: First charge on all fixed assets, including EM of two factory land and building at: Samalkha, Haryana and Behror, Rajasthan.	Personal 1. Mr. Madhav Kumar Swarup 2. Mr. Ajay Kumar

9.2.2007)	2008. Commitment Fee: 1% for delayed drawdown beyond 2 months. Prepayment Charges: 2% of the Prepaid Amount.			Collateral: Extension of charges on all current assets of the Company.	Swarup Corporate Guarantee: M/s Chand Bagh Investments Ltd.

DETAILS OF THE ABOVE CASH CREDIT FACILITIES ARE AS UNDER:

Working Capital	**Repayment Period/Schedule**	**Interest**	**Moratorium**	**Prime/Collateral security**	**Guarantees**
SBI Rs. 400 lakhs	-	0.5% below SBAR i.e., 11% 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 1. Mr. Madhav Kumar Swarup 2. Mr. Ajay Kumar Swarup Corporate M/s Chand Bagh Investments Ltd.

DETAILS OF THE NON-FUND BASED FACILITIES ARE AS UNDER:

Limit	**Purpose**	**Margin**	**Security**	**Period**
SBI Bank Guarantees Rs. 25 lakhs (Existing)	For issuance of Sales Tax/Excise/Customs/Security Deposit ad for ay other business purpose.	15% (However, 100% cash margin in case of guarantees covering disputed liabilities)	As prescribed in Cash Credit Facility.	36 months
SBI Letters of Credit (WC-Inland/Import) Rs. 75 lakhs (Existing)	For purchase of Raw Materials, Consumables, Stores etc.	15%	As prescribed in Cash Credit Facility.	Usance: Maximum – 90 Days

ii. 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**

The company has been promoted by Mr. Ajay Kumar Swarup and Mr. Anoop Bishnoi.

The company was incorporated on November 16, 1983, with the Registrar of Companies, Delhi & Haryana, as a limited liability 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

(As per Certificate of ADL dated 6.7.2007)

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.	Public (Other individuals)	3,30,000	61.11%
	TOTAL	**5,40,000**	**100.00%**

(As per Certificate of ADL dated 6.7.2007)

The financial highlights for the last 5 years are given below:

(Rs. in lakhs)

Year Ended March 31	2006 (Audited)	2005 (Audited)	2004 (Audited)	2003 (Audited)	2002 (Audited)
Sales	6061.15	1709.80	1799.97	1420.02	1690.46
Total Income	6066.26	1739.80	1808.91	1423.58	1717.34
Profit after tax (PAT)	75.81	(5.40)	(71.94)	6.27	(43.92)
Share Capital (1)	54.00	54.00	54.00	54.00	54.00
Reserves (excluding revaluation reserve)	261.76	185.95	191.35	263.29	257.02
Earnings per share (EPS) (Rs.)	14.04	Nil	Nil	1.16	Nil
Net Asset Value (NAV) per share (Rs.)	36.40	25.62	29.38	58.76	57.60
Net worth	196.57	138.36	158.65	317.29	311.02

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 (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.

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. 33.37 lakhs to Globus Spirits Limited during FY 2006-07. Associated Distilleries purchased Extra Neutral Alcohol for Rs. 97.60 lakhs and Rectified Spirit for Rs. 94.03 lakhs from Globus Spirits during FY 2006-07. 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. 113.37 lakhs during the FY 2006-07.

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 limited liability 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 March 18, 1993. 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 96.68% of the Pre-Issue paid-up capital of the Company.

BOARD OF DIRECTORS

Mr. Ajay Kumar Swarup
Mrs. Madhavi Swarup
Mrs. Saroj Rani Swarup

(As per Certificate of CBIL dated 6.7.2007)

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%**

(As per Certificate of CBIL dated 6.7.2007)

The financial highlights for the last 3 years are given below

(Rs. in lakhs)

Year Ended March 31	**2006 (Audited)**	**2005 (Audited)**	**2004 (Audited)**
Total Income	12.10	2.98	4.63
Profit after tax (PAT)	9.02	5.00	1.63
Share Capital (1)	5.00	5.00	5.00
Reserves (excluding revaluation reserve)	62.43	53.41	48.41
Earnings per share (EPS) (Rs.)	18.04	10.00	3.26
Net Asset Value (NAV) per share (Rs.)	134.86	116.82	106.82
Networth	67.43	58.41	53.41

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 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), and Northern Alcohol Sales Pvt. Ltd. in combination hold 49.98% 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. NORTHERN INDIA ALCOHOL SALES PRIVATE LIMITED

The company has been promoted by Mr. Ajay Kumar Swarup.

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

(As per Certificate of NIASPL dated 6.7.2007)

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%**

(As per Certificate of NIASPL dated 6.7.2007)

The financial highlights for the last 5 years are given below:

(Rs. in lakhs)

Year Ended March 31	2006 (Audited)	2005 (Audited)	2004 (Audited)	2003 (Audited)	2002 (Audited)
Total Income	0.01	9.04	13.96	13.09	11.72
Profit after tax (PAT)	(0.20)	1.01	0.48	(0.96)	(1.74)
Share Capital (1)	3.35	3.35	3.35	3.35	0.10
Reserves (excluding revaluation reserve)	(0.26)	(0.06)	-	-	-
Earnings per share (EPS) (Rs.)	Nil	30.29	14.33	Nil	Nil
Net Asset Value (NAV) per share (Rs.)	65.07	71.04	67.76	53.43	Nil
Networth	2.18	2.38	2.27	1.79	(0.50)

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.

4. 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

(As per Certificate of RDPL dated 6.7.2007)

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%**

(As per Certificate of RDPL dated 6.7.2007)

The financial highlights for the last 3 years are given below:

(Rs. in lakhs)

Year Ended March 31	2005-06 (Audited)	2004-05 (Audited)	2003-04 (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.)	9.3	9.3	9.3
Networth	0.93	0.93	0.93

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.

5. BIOTECH INDIA LIMITED

The Company has been promoted by Mr. Ajay Kumar Swarup.

The Company was incorporated on May 5, 1994 with the Registrar of Companies, Delhi & Haryana, as a limited liability 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

(As per Certificate of BIL dated 6.7.2007)

SHAREHOLDING

Sl.No.	Name of Shareholder	No. of Shares held	%age Shareholding
1.	Mr. Ajay Kumar Swarup	25,510	51.02%
2.	Globus Spirits Ltd.	22,430	44.86%
3.	Associated Distilleries Ltd.	2,000	4.00%
4.	Mr. Madhav Kumar Swarup	10	0.02%
5.	Mrs. Saroj Rani Swarup	10	0.02%
6.	Mrs. Madhavi Swarup	10	0.02%
7.	Mr. Sharan Singh	10	0.02%
8.	Mr. Sukhmal Chand Jain	10	0.02%
9.	Mr. Suhas Vasant Joshi	10	0.02%
	TOTAL	**50,000**	**100.00%**

(As per Certificate of BIL dated 6.7.2007)

The financial highlights for the last 4 years are given below:

(Rs. in lakhs)

Year Ended March 31	2005-06 (Audited)	2004-05 (Audited)	2003-04 (Audited)	2002-03 (Audited)
Total Income	2.77	Nil	Nil	-
Profit after tax (PAT)	(0.24)	Nil	Nil	-
Share Capital (1)	5.00	5.00	5.00	5.00
Reserves (excluding revaluation reserve)	Nil	Nil	Nil	Nil
Earnings per share (EPS) (Rs.)	Nil	Nil	Nil	-
Net Asset Value (NAV) per share (Rs.)	9.18	9.66	9.66	9.66
Networth	4.59	4.83	4.83	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 is an interested party. Mr. Ajay Kumar Swarup together with Mrs. Madhavi Swarup, Mr. Madhav Kumar Swarup, Mrs. Saroj Rani Swarup, Globus Spirits Ltd., and Associated Distilleries Ltd. 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.

6. 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
Mr. Ajay Kumar Swarup

(As per Certificate of VPPL dated 6.7.2007)

SHAREHOLDING

Sl. No.	Name of Shareholder	No. of Shares held	%age Shareholding
1.	Mr. Ajay Kumar Swarup	1,12,776	43.79%
2.	Mrs. Madhavi Swarup	74,002	28.74%
3.	Mrs. Saroj Rani Swarup	70,722	27.47%
	TOTAL	**2,57,500**	**100.00%**

(As per Certificate of VPPL dated 6.7.2007)

The financial highlights for the last 5 years are given below:

(Rs. in lakhs)

Year Ended March 31	2005-06 (Audited)	2004-05 (Audited)	2003-04 (Audited)	2002-03 (Audited)	2001-02 (Audited)
Total Income	1.08	0.98	0.96	0.96	0.24
Profit after tax (PAT)	(0.02)	(0.23)	(0.29)	(0.09)	(0.81)
Share Capital (1)	25.75	25.75	25.75	25.75	23.00
Reserves (excluding revaluation reserve)	1.00	1.00	1.00	1.00	0.22
Earnings per share (EPS) (Rs.)	Nil	Nil	Nil	Nil	Nil
Net Asset Value (NAV) per share (Rs.)	9.82	9.82	9.90	10.00	10.04
Networth	25.28	25.28	25.49	25.76	23.09

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 singularly owns 43.79%. Mr. Ajay Kumar Swarup alog with his wife Mrs. Madhavi Swarup, and his mother Mrs. Saroj Rani 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.

7. **JARODA PLANTATIONS PRIVATE LIMITED**

The Company has been promoted by Mr. Ajay Kumar Swarup.

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 allother forms and branches by setting up farms, agricultural houses, orchards etc.

BOARD OF DIRECTORS

Mr. Madhav Kumar Swarup
Mr. Ajay Kumar Swarup
Mr. Sukhmal Chand Jain

(As per Certificate of JPPL dated 6.7.2007)

SHAREHOLDING

Sl.No.	Name of Shareholder	No. of Shares held	%age Shareholding
1.	Mr. Ajay Kumar 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%**

(As per Certificate of JPPL dated 6.7.2007)

The financial highlights for the last 3 years are given below

(Rs. in lakhs)

Year Ended March 31	2005-06 (Audited)	2004-05 (Audited)	2003-04 (Audited)
Total Income	3.29	8.02	1.47
Profit after tax (PAT)	0.19	6.95	1.18
Share Capital (1)	1.00	1.00	1.00
Reserves (excluding revaluation reserve)	80.61	21.33	17.55
Earnings per share (EPS) (Rs.)	1.90	69.50	11.80
Net Asset Value (NAV) per share (Rs.)	815.50	222.50	184.40
Networth	81.55	22.25	18.44

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.

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. **GLOBUS INFOSYS PRIVATE LIMITED**

The Company has been promoted by Mr. Ajay Kumar Swarup.

The Company was incorporated on July 3, 1997 with the Registrar of Companies, NCT of Delhi & Haryana, as a limited liability company, 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. Ashok Kumar
Mr. Rajesh Kumar

(As per Certificate of GIPL dated 6.7.2007)

SHAREHOLDING

Sl.No.	Name of Shareholder	No. of Shares held	%age Shareholding
1.	Mr. Ajay Kumar 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**	**100.0%**

(As per Certificate of GIPL dated 6.7.2007)

The financial highlights for the last 3 years are given below

(Rs. in lakhs)

Year Ended March 31	2005-06 (Audited)	2004-05 (Audited)	2003-04 (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.)	5.40	5.40	5.40
Networth	0.54	0.54	0.54

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.

Mr. Ajay Kumar Swarup together Mr. Madhav Kumar Swarup holds 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.

9. RAMBAGH ESTATES PRIVATE LIMITED

The Company has been promoted by Mr. Ajay Kumar Swarup.

The Company was incorporated on January 28, 1992 with the Registrar of Companies, Delhi & Haryana, as a limited liability 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

Mr. Ajay Kumar Swarup
Mr. Madhav Kumar Swarup

(As per Certificate of REPL dated 6.7.2007)

SHAREHOLDING

Sl.No.	Name of Shareholder	No. of Shares held	%age Shareholding
1.	Mr. Ajay Kumar 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%**

(As per Certificate of REPL dated 6.7.2007)

The financial highlights for the last 4 years are given below

(Rs. in lakhs)

Year Ended March 31	2005-06 (Audited)	2004-05 (Audited)	2003-04 (Audited)	2002-03 (Audited)
Total Income	Nil	Nil	Nil	Nil
Profit after tax (PAT)	(0.08)	(0.08)	Nil	Nil

Share Capital (1)	4.90	4.90	4.90	4.90
Reserves (excluding revaluation reserve)	Nil	Nil	Nil	Nil
Earnings per share (EPS) (Rs.)	Nil	Nil	Nil	Nil
Net Asset Value (NAV) per share (Rs.)	89.80	90.20	90.82	91.22
Networth	4.40	4.42	4.45	4.47

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.

Mr. Ajay Kumar Swarup holds 94.14% shares in the Company's equity. Along with his father Mr. Madhav Kumar Swarup, he owns 98.67% 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.

10. **SHAKTIMAN 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 limited liability 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

(As per Certificate of SPPL dated 6.7.2007)

SHAREHOLDING

Sl.No.	Name of Shareholder	No. of Shares held	%age Shareholding
1.	Mr. Ajay Kumar Swarup	83,185	42.01%
2.	Mrs. Saroj Rani Swarup	59,995	30.30%
3.	Mrs. Madhavi Swarup	54,820	27.69%
	TOTAL	**1,98,000**	**100.00%**

(As per Certificate of SPPL dated 6.7.2007)

The financial highlights for the last 5 years are given below:

(Rs. in lakhs)

Year Ended March 31	2005-06 (Audited)	2004-05 (Audited)	2003-04 (Audited)	2002-03 (Audited)	2001-02 (Audited)
Total Income	1.43	1.27	1.27	1.27	0.32
Profit after tax (PAT)	(0.02)	(0.31)	(0.39)	(0.11)	(1.10)
Share Capital (1)	19.80	19.80	19.80	19.80	15.00
Reserves (excluding revaluation reserve)	9.88	9.88	9.88	9.88	9.01
Earnings per share (EPS) (Rs.)	Nil	Nil	Nil	Nil	Nil
Net Asset Value (NAV) per share (Rs.)	14.08	14.07	14.21	14.39	15.86
Networth	27.87	27.86	28.14	28.50	23.79

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.

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.

11. **SIDHI ESTATES 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 limited liability 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 properties.

BOARD OF DIRECTORS

Mr. Ajay Kumar Swarup
Mr. Madhav Kumar Swarup

(As per Certificate of SEPL dated 6.7.2007)

SHAREHOLDING

Sl.No.	Name of Shareholder	No. of Shares held	%age Shareholding
1.	Mr. Ajay Kumar Swarup	77,292	40.68%
2.	Mrs. Saroj Rani Swarup	54,044	28.44%
3.	Mrs. Madhavi Swarup	58,664	30.88%
	TOTAL	**1,90,000**	**100.00%**

(As per Certificate of SEPL dated 6.7.2007)

The financial highlights for the last 5 years are given below

(Rs. in lakhs)

Year Ended March 31	2005-06 (Audited)	2004-05 (Audited)	2003-04 (Audited)	2002-03 (Audited)	2001-2002 (Audited)
Total Income	0.86	0.77	0.77	0.77	0.19
Profit after tax (PAT)	(0.03)	(0.20)	(0.22)	(0.08)	(0.62)
Share Capital (1)	19.00	19.00	19.00	19.00	18.00
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.)	10.40	10.41	10.51	10.62	10.69
Net worth	19.77	19.78	19.97	20.18	19.25

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.

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. **RIDHI ESTATES 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 limited liability 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 properties.

BOARD OF DIRECTORS

Mr. Ajay Kumar Swarup
Mr. Madhav Kumar Swarup

(As per Certificate of REPL dated 6.7.2007)

SHAREHOLDING

Sl. No.	Name of Shareholder	No. of Shares held	%age Shareholding
1.	Mr. Ajay Kumar Swarup	1,07,030	43.24%
2.	Mrs. Saroj Rani Swarup	69,260	27.99%
3.	Mrs. Madhavi Swarup	71,210	28.77%
	TOTAL	**2,47,500**	**100.00%**

(As per Certificate of REPL dated 6.7.2007)

The financial highlights for the last 5 years are given below

(Rs. in lakhs)

Year Ended March 31	2005-06 (Audited)	2004-05 (Audited)	2003-04 (Audited)	2002-03 (Audited)	2001-02 (Audited)
Total Income	0.95	0.85	0.85	0.85	0.21
Profit after tax (PAT)	(0.03)	(0.23)	(0.25)	(0.09)	(0.70)
Share Capital (1)	24.75	24.75	24.75	24.75	23.00
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.)	9.64	9.65	9.73	9.83	9.85
Networth	23.87	23.88	24.09	24.33	22.65

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.

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. **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, licenced victuallers etc.

Company No.: 06191164

BOARD OF DIRECTORS

Dr. Bhaskar Roy

(As per Certificate of GSUKL dated 6.7.2007)

The Nominal value of each Equity Share is 1 £. Having been incorporated in March 2007, the Company has not posted any financials.

Share Quotation
The Company is not listed in any Stock Exchange.

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.

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. 127-128 of the Draft 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.

iii. 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, 2004, 2005, 2006 and 2007 including the significant accounting policies and notes thereto and reports thereon which appear elsewhere in this Draft 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 unconsolidated financial statements prepared in accordance with Indian GAAP and included in this Draft 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 Draft Red Herring Prospectus, particularly under "Risk Factors" beginning on page no. x of this Draft 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 February, 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 after March 31, 2007 that may affect the result of operations of the Company

To the Company's knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft 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.

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, 2004, March 31, 2005, March 31, 2006 and March 31, 2007.

A summary of past financial results based on the restated statement of accounts is as under:

(Rs. in Lakhs)

Particulars	**31.3.2004**	**31.3. 2005**	**31.3.2006**	**31.03.2007**
Net Sales	4,792.63	6,795.65	8,683.41	11199.53
Other Income	47.86	14.75	16.61	49.21
Increase (Decrease) in inventories	67.28	212.56	(62.47)	123.50
Total Income	**4,907.77**	**7,022.96**	**8,637.55**	**11372.24**
Expenditure				
Purchase	-	-	-	---
Raw Material Consumed	2,598.76	4,316.38	5,593.92	7167.90
Manufacturing Expenses	463.34	999.77	1,536.94	2005.28
Administrative & Selling & Other Exps.	1,610.56	1,413.69	502.89	445.64
Staff Costs	68.28	86.20	138.58	201.65
Total Expenditure	**4,740.94**	**6,816.04**	**7,772.33**	**9820.47**
PBIDTA	166.83	206.92	865.22	1551.77
Interest & Finance Charge	7.78	20.24	40.29	53.29
Depreciation	115.11	118.71	205.37	273.83
Fringe Benefit Tax	-	-	2.77	3.58
PBT	43.94	67.97	616.79	1221.07
Provision for Taxation	25.13	43.39	92.91	355.55
Income Tax/Exp. For earlier exp.	0.80	0.64	-	--
PAT	**18.01**	**23.94**	**523.88**	**865.52**
RESULTS OF OPERATIONS OF THE COMPANY				
Particulars	**2003-04**	**2004-05**	**2005-06**	**2006-07**
Total Income	4,907.77	7,022.96	8,637.55	11372.24
Raw Material Consumed	2,598.76	4,316.38	5,593.92	7167.90
Raw Material Consumed as a % of Total Income	52.95%	61.46%	64.76%	63.03%
Manufacturing Expenses	463.34	999.77	1,539.71	2005.28
Manufacturing Expenses as a % of Total Income	9.44%	14.24%	17.83%	17.63%

Administrative & Selling Expenses	1,610.56	1,413.69	502.89	445.64
Administrative & Selling Expenses as a % of Total Income	32.82%	20.13%	5.82%	3.91%
Staff Costs	68.28	86.20	138.58	201.65
Staff Costs as a % of Total Income	1.39%	1.23%	1.60%	1.77%
PBDTA	166.83	206.92	865.22	1551.77
PBDTA as a % of Total Income	3.40%	2.95%	9.98%	13.64%
Interest & Finance Charge	7.78	20.24	40.29	53.29
Interest & Finance Charge as a % of Total Income	0.16%	0.29%	0.47%	0.47%
Depreciation	115.11	118.71	205.37	273.83
Depreciation as a % of Total Income	2.35%	1.69%	2.38%	2.40%
PBT	43.94	67.97	616.79	1221.07
PBT as a % of Total Income	0.90%	0.97%	7.14%	10.74%
PAT	18.01	23.94	523.88	865.52
PAT as a % of Total Income	0.37%	0.34%	6.07%	7.61%

Comparison of performance & analysis of development for financial year ended 31st March 2007 vis a vis March 2006:

Sales Revenues
Sales revenue 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 growth in sale of products in the states of Haryana, Rajasthan and Delhi backed by proportionately enhanced production reflecting on growing market share of the company in these states.

Total Income
Growth in sales, better management of production and value addition resulted in more than proportionate higher total income of Rs. 11372.24 lakhs in FY 2006-07 as against Rs. 8637.55 lakhs in the year ended 2005-06.

Raw Material Consumed
Raw Material Consumed was Rs. 7167.90 lakhs i.e., 63.03% of total income in FY 2006-07, which in the previous year ended 31.3.2006 was Rs. 5593.92 lakhs i.e., 64.76% of the total income. Although in percentage terms Raw Material consumption is comparable for both the years but in absolute terms it increased in the year 2006-07 given increased production level.

Manufacturing Expenses
Manufacturing Expenses as a percentage of total income were 17.83% in FY 2005-06 compared with 17.63% in FY 2006-07. Again this expenditure is comparable for both the years but in absolute terms it increased in FY 2006-07 given higher production.

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.

Administrative & Selling Expenses
Administrative and Selling expenses were 3.91% of total income in the year 2006-07 as against 5.82% of total income for the year 2005-06. In absolute terms these dropped by Rs. 57.25 lakhs. During FY 2006-07, while on one hand, fewer discounts and rebates were allowed, on the other, fixed administrative costs did not go up as much as the production.

Profit Before Interest, Depreciation, Tax and Amortization's (PBIDTA)
PBIDTA for the year ended March 31, 2007 increased from Rs. 865.22 lakhs in the previous FY to Rs. 1551.77 lakhs; an increase of 79.35%, this was primarily due to better margins increase market share of Country Liquour. As a percentage to total income PBIDTA was 13.64% as compared to 9.98% in the FY 2005-06.

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 some fresh loans 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.

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. Growth in PAT primarily resulted from higher turnover with enhanced contribution but was also pushed up by better product margins. However, as a percentage of total income it was 7.61% in the FY 2006-07 against 6.07% in FY 2005-06.

Comparison of performance & analysis of development for financial year ended 31st March 2006 vis a vis March 2005:

Sales Revenue
Net sales post gowth during the year ended March 31st 2006. It was Rs. 8683.41 lakhs as against Rs. 6795.65 lakhs in the year ended March 31st 2005. Increase in sales was primarily on account of general annual growth in the market share.

Total Income
Growth in net sales resulted in a higher total income in the FY 2005-06 at Rs. 8637.55 lakhs as compared to Rs. 7022.96 lakhs in the year ended 2004-05.

Raw Material Consumed
Raw Material Consumption was Rs. 5593.92 lakhs i.e., 64.76% of total income in FY 2005-06, which in the previous year ended 31.3.2005 was Rs. 4316.38 lakhs i.e., 61.46% of the total income. This as percentage of total income was comparable but in absolute terms increased due to higher production and change in mix of raw material when compared with that in the immediately preceding FY.

Manufacturing Expenses
Manufacturing Expenses as a percentage of total income was 14.24% in FY 2004-05 as compared to 17.83% in FY 2005-06. Though as a percentage, manufacturing expenses were high but compared to FY 2004-05 the profit margins was much better in the year 2005-06. The manufacturing expenses increased as during the year the chemical costs were higher and used in greater proportion to produce better quality products.

Staff Costs
Staff cost was marginally higher as percentage of total income in FY 2005-06 when compared with FY 2004-05 but in absolute terms the cost was higher by 60.76% due to increase in staff force in both the units. This was necessary to handle overall growth in volumes.

Administrative and Selling Expenses
Administrative and Selling Expenses were low compared to FY 2004-05 as selling and distribution expenses came down. In the previous years, company was bottling under tie-up arrangements with UB Group. The major profit on the same was passed on to the owner of

Brands and booked in Selling and Distribution expenses. In the current year i.e., FY 2005-06 turnover includes sales of company's own brands and thus no such payments were made.

Profit Before Interest, Depreciation, Tax and Amortization (PBIDTA)
PBIDTA for the year ended March 31, 2006 grew from Rs. 206.92 lakhs to Rs. 865.22 lakhs, an increase of 318.14%. This was a result of better product margins and increase in market share of Country Liqour. As a percentage to total income PBIDTA was 9.98% as compared to 2.95% in the FY 2004-05.

Interest Expenses
Interest expenses escalated during the year as the year witnessed higher outside financing to support increased operations. Nevertheless, it was mere 0.47% of total income in FY 2005-06 as compared to 0.29% of total income for the year 2004-05. Debt levels are significantly low in the company.

Depreciation
Depreciation is marginally higher in FY 2005-06 at Rs. 205.37 lakhs as compared to Rs. 118.71 lakhs in FY 2004-05 due to additions in fixed assets.

Profit after tax (PAT)
PAT in the FY 2005-06 was Rs 523.88 lakhs as compared to Rs 23.94 lakhs in FY 2004-05 i.e., 2088% growth primarily due to better margins and acceptability of the products in the markets.

Comparison of performance & analysis of development for financial year ended 31st March 2005 vis a vis March 2004:

Sales Revenue
Net sales increased during the year ended March 31st 2005 to Rs. 6795.65 lakhs from Rs. 4792.63 lakhs in the year ended March 31st 2004. Increase in sales primarily accounts for increase in volume in both the units, better sales margin and value addition.

Total Income
Total income in the FY 2004-05 was Rs. 7022.96 lakhs as compared to Rs. 4907.77 lakhs in the year ended 2003-04.

Raw Material Consumed
Raw Material Consumption was Rs. 4316.38 lakhs i.e., 61.46% of total income in FY 2004-05, which in the previous year ended 31.3.2004 was Rs. 2598.76 lakhs i.e., 52.95% of the total income. Raw material costs increased during the year due to comparatively higher prices of grain & molasses.

Manufacturing Expenses
Manufacturing Expenses as a percentage of total income was 9.44% in FY 2003-04 as compared to 14.24% in FY 2004-05. Though as a percentage, manufacturing expenses were high but compared to FY 2003-04 the profit margins was much better in the year 2004-05. The manufacturing expenses increased during the year as with increase in bottling of tie-up products the essence cost increased.

Staff Costs
Staff costs on absolute terms were higher as compared to FY 2003-04 but as percentage of total income the same were 1.23% in FY 2004-05 as compared to 1.39% in the year 2003-04.

Administrative and Selling Expenses
Administrative and Selling Expenses was low compared to FY 2003-04 as selling and distribution expenses came down. The same were 20.13% of total income in FY 2004-05 as compared to 32.82% of total income for the year 2003-04. The selling expenses were less during the year due to lower spends for the market.

Profit Before Interest, Depreciation, Tax and Amortization (PBIDTA)
PBIDTA for the year ended March 31st, 2005 increased from Rs. 166.83 lakhs to Rs. 206.92 lakhs, an increase of 24.03%. It was primarily due to better sales, increased market share of

Country Liqour. As a percentage to total income PBIDTA was 2.95% as compared to 3.40% in the FY 2003-04.

Interest Expenses
Interest expenses increased during the year due to higher loans though it was only 0.29% of total income in FY2004-05 as compared to 0.16% of total income for the year 2003-04.

Depreciation
Depreciation was marginally higher in FY 2004-05 at Rs. 118.71 lakhs as compared to Rs. 115.11 lakhs in FY 2003-04 due to additions in fixed assets.

Profit after tax (PAT)
PAT in the FY 2004-05 was Rs. 23.94 lakhs as compared to Rs. 18.01 lakhs in FY 2003-04 i.e., a marginal increase of 32.92%.

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 in the State.

   - It is however observed that this action on part of any government is 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. 41 of this Draft Red Herring Prospectus.

7. **The extent to which the business is seasonal, any significant dependence on a single or few suppliers or customers:**

   The business is not seasonal as the demand and consumption is prevalent throughout the year. 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.

8. **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.

9. **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

i. 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).

Except as described below, there are no other outstanding litigations including statutory dues, commercial disputes, patent disputes etc. No criminal proceedings, civil prosecution or tax liabilities have been launched against the Company or any of the Directors or for any of the offences under the enactment specified in paragraph 1 of schedule XIII of the Companies Act 1956, except as mentioned herein-below.

No disciplinary action / investigation has been taken by Securities and Exchange Board of India (SEBI)/ Stock Exchanges against the Company, its directors, promoters 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.)

The Company has not defaulted in meeting any economic offences, statutory dues, bank dues, institutional dues and any dues to instrument holders of debentures, fixed deposits.

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.	Pending for final hearing. Date to be fixed later.

(b). Recovery Suits

1.	Globus Agronics Ltd. Vs. Rajasthan State Ganga Nagar Sugar Mills Ltd. (RSGSM) District and Sessions Judge, Jaipur.	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. 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.	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.	Next date of hearing is fixed for August 17, 2007.

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.	M/s H. H. Bottling Plant, Sriganganagar Rajasthan Vs. State of Rajasthan, Global Agronics Limited & Ors 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	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.	N/A	In case of an adverse decision it may effect the operations and profits of the Company in the State.	Pending for final hearing. Date to be fixed later on.

	Jodhpur.				
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.	N/A	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	Financial or other impact on the Company in case of an adverse decision	Present Status
1.	Globus Agronics Shramik Union Vs State of Rajasthan & others SB. Civil Writ Petition No. 6091 of 2004 High Court of Rajasthan at Jaipur	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.	N/A	N/A	The notice is to be served on the State of Rajasthan.

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 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.	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 July 17, 2007 for final arguments.
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.	N/A	N/A	Next hearing is fixed on July 18, 2007 for arguments by the parties.
3.	M/s. Associated Distilleries Ltd. Vs. Haryana State Pollution Control Board (HSPCB) Appellate Committee constituted under the Water (Prevention and	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	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.

	Control of Pollution) Cess Act, 1977 and Rules made thereunder.	recovery on the grounds that the cess assessment was incorrect and the cess verification was done without complying with the provisions of the Act.			

(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 High Court of Punjab And Haryana at Chandigarh.	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. 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 *ultra vires* 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 .	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.

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, New-Delhi.	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 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.	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 5, 2007.

LITIGATIONS OF COMPANIES PROMOTED BY THE PROMOTERS/DIRECTORS OF GLOBUS

There are no cases / litigations filed by or against companies promoted by the promoters/Directors of Globus.

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.

In terms of Clause 6.11.1.1 (g), as at December 31, 2006, except for the following Creditors, the Company does not owe a sum exceeding Rs. 1 lakh to a Small Scale Undertaking or any other creditor, which is outstanding for more than 30 days.

The promoters, members of the promoters group, issuer, and companies/firms promoted by promoters are not detained as willful 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.

ii. 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 Draft 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.

iii. 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	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 31.3.2008.	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	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	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.	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 - 31.3.2009	Excise Commissioner, Rajasthan Udaipur Rajasthan
9.	TAN Number (Behror Unit)	JPRG02997B	Income Tax Department
10.	Factory Licence (For Behror unit) *Registration Licence to work a Factory*	No. RJ-22167 dated 1.12.1999 Validity: Upto 31.3.2008	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	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	Senior Electrical Inspector Govt of Rajasthan Jaipur
13.	Certificate for use of Boiler No. Registry No. MP-2893 (For Behror Unit)	No. 233/17 dated 15.5.2006 Validity: 29.4.2006 – 7.2.2007 Company has applied for renewal of the license wide letter dated 15.5.2007	Chief Inspector Rajasthan State Boiler Inspection Department Jaipur Rajasthan
14.	Certificate for use of Boiler (For Behror Unit)	No. 95/212 dated 29.9.2005 Validity: 1.12.2006 – 3.9.2007	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	Chief Inspector Rajasthan State Boiler Inspection Department Jaipur Rajasthan
16.	PF Registration (For Behror Unit)	RJ/9140 dated 26.2.1998	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	Dy. Director Employees State Insurance Corporation Jaipur Rajasthan
18.	Central Excise Registration (For Behror Unit) Registration for:	No. 04/BHR/CH-38/R-174/98 dated 24.3.1998	Superintendent Central Excise Circle-Behror Dist: Alwar

	Fusel Oil & Molasses		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	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: 31.3.2008	Excise Commissioner, Rajasthan Udaipur Rajasthan
21.	IMFL Sale/Bond Licence (For Behror Unit)	4/98-99 dated 16.3.1999 Renewed upto: 31.3.2008	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: 31.3.2008	Excise Commissioner Udaipur Rajasthan
23.	Molasses Storage Licence (For Behror Unit)	No. 01/2000-01 dated 22.4.2000 Renewed upto: 31.3.2008	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	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	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	Addl. Excise Commissioner, Rajasthan Excise, Udaypur (Rajasthan)
27.	Registration of IMFL brands viz., Officer's Choice Prestige Whisky, Officer's Choice Classic Whisky, and Country Liquor Brands, i.e., Chandni, Rana, Rajasthan No. 1, Ghoomer with the label stating "Only for sale in Rajasthan'. (For Behror Unit)	No. P-32(B)(138)AB/L/96-V/6673 dated 27.3.2007	Addl. Excise Commissioner, Rajasthan Excise, Udaipur (Rajasthan)
28.	Licence for operation of Laboratory. (For Behror unit)	1/98-99 dated March, 1999 Valid upto: 31.3.2008	District Excise Officer, Dist: 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	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 31.3.2008	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.	No. WPCB/91/NOC/93/57 dated 2.7.1993 Company has applied for renewal of permission wide letter dated 16.1.2007.	The Member Secretary, Haryana State Pollution Control Board Chandigarh Haryana

	(For Samalkha unit)		
5.	Factory Licence (For Samalkha unit) *Registration Licence to work a Factory*	Licence Registration No. PPT/H-86/6414 Licence Serial No. 1292 Validity: Upto 31.12.2005 The Company has applied on 12.12.2006 for renewal for the year 2006 and 2007, and is yet to obtain the renewal certificate.	Chief Inspector of Factories Chandigarh Haryana
6.	Service Tax Registration (For Samalkha Unit)	AAACG2634BST001	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/129 dated 13.2.2007 Validity: 7.2.2007 - 6.2.2008	Chief Inspector Haryana Boiler Inspection Department
8.	Employee Provident Fund (For Samalkha Unit)	No. EB/HR-KL/15075/5557 dated 3.9.1997	Office of the Regional Provident Fund Commissioner Karnal Haryana
9.	Industrial Approval for manufacture of Undenatured Ethyl Alcohol, Rectified Spirit, Extra Natural Alcohol from Molasses and Grain Capacity: 5 Crore BL per annum (For Samalkha Unit)	SIA No. 311/SIA/IMO/95 dated 17.1.1995	Ministry of Industry Secretarial for Industrial 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	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	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.	Addl. Excise and Taxation Commissioner Haryana
13.	Registration of Country Liquor Brands, i.e., Samalkha No. 1, Samalkha Ki Saunfi Samlakha Ki Kesar Kasturi No. 1 (For Samalkha Unit)	License issued under Form L-1C for the year 2007-08 to sell Country Liquor of the said brands to L-13 Licensees.	Collector-cum-Addl. Excise & Taxation Commissioner (HQ), Haryana, Chandigarh
14.	TAN Number (Samalkha Unit)	DELG06683F	Income Tax Department
15.	Inspection of 1 No. 630 KVA Transformer and 11 KV Line	Memo No. Spl. I (Samalkha)	Chief Electrical Inspector Government of India Chandigarh

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	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(96)/Ex/Country Liquor/07-08 dated 19.3.2007 Validity: 1.4.2007 to 31.3.2008	Commissioner of Excise Entertainment & Luxury Tax Government of Delhi Vikas Bhawan Delhi
3.	Licence for supply of Country Liquor – Delhi Unit – during the year 2007-08	L-9 Registration No.: F 1(96)/Ex/Country Liquor/07-08 dated 27.2.2007 Validity: 1.4.2007 to 31.3.2008	Collector of Excise Delhi
4.	NOC for supply of 50 Degree Country Liquor to Delhi Administration subject to payment of export duty as prescribed for the year 2007-08. The Unit shall make supply of Country Liquor from their own free sale molasses.	Memo No. 1232/X.II dated 1.2.2007	Excise & Taxation Commissioner Haryana

IV. COMPANY

Sl. No.	Name of Registration	Licence/Registration No. & Date	Name of Issuing Authority/Department
1.	Permanent Account Number	AAACG2634B	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 Government of India

V. 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.

b. The Company has applied Central Excise Registration for Fusel Oil and Denatured Spirit for its Samalkha unit to the Asst. Commissioner of Central Excise & Customs, Panipat, Haryana.

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 March 15, 2007, 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 June 2, 2007, 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 willful 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 in terms of the certificate issued by M/s B.M. Chatrath & Co., Chartered Accountants, dated July 5, 2007.

- 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;
- The Company has had a pre-Issue net worth of not less than Rs. 1 crore in each of the three preceding full years;
- The Company has had a track record of distributable profits as per Section 205 of the Companies Act, 1956 for at least three out of the immediately preceding five years;
- 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, 2007;
- 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.

(Rs. in lakhs)

	For the year ended March 31				
Particular	**2003**	**2004**	**2005**	**2006**	**2007**
Net Tangible Assets [1]	1148.96	1274.23	1605.97	2084.92	3675.57
Monetary Assets [2]	38.89	47.78	31.85	58.26	175.01
Monetary Assets as a % of Net Tangible Assets	3.38	3.75	1.98	2.79	4.76
Net Worth [3]	1116.99	1134.92	1159.43	1683.53	2549.26
Distributable Profits [4]	6.71	18.01	23.94	523.88	865.52

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.
5 - Figures in brackets indicate negative figures.

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 a pro rata basis) 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 DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT 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 DRAFT RED HERRING PROSPECTUS. THE BRLM, SREI CAPITAL MARKETS LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT 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 DRAFT RED HERRING PROSPECTUS, THE BRLM IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLM, SREI CAPITAL MARKETS LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JULY 10, 2007 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 DRAFT 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 DRAFT 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 AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

c. **THE DISCLOSURES MADE IN THE DRAFT 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;**

III. **WE CONFIRM THAT, BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND TILL DATE SUCH REGISTRATION IS VALID;**

IV. **WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS; AND**

V. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS 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 DRAFT RED HERRING PROSPECTUS.**

THE FILING OF DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR 68 OF THE COMPANIES ACT, 1956 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 BRLM, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

5. **CAUTION STATEMENT /DISCLAIMER STATEMENT FROM THE ISSUER AND BOOK RUNNING LEAD MANAGER:**

The Company, its Directors, BRLM accept no responsibility for statements made otherwise than in the Draft Red Herring Prospectus or the advertisements or any other material issued by or at the instance of the above mentioned entities, including the Company's website www.globusspirits.com, and any one placing reliance on any other source of information would be doing so at his or her own risk.

The BRLM 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 BRLM and the Underwriting Agreement to be entered into amongst the Underwriters and the Company.

All information shall be made available by the BRLM 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 BRLM are obliged to update the Draft Red Herring Prospectus and keep the public informed of any material changes till the listing and trading commencement.

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 Draft 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 Draft 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 Draft Red Herring Prospectus has been filed with SEBI for observations and the SEBI has given its observations Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft 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 Draft 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**

[•]

8. **Disclaimer Clause of the Stock Exchanges**

Disclaimer Clause of the Bombay Stock Exchange Limited (BSE) – The Designated Stock Exchange

[•]

Disclaimer Clause of the National Stock Exchange of India Limited (NSE)

[•]

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 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 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, 4^{th} 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 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 with the assistance of the BRLM shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at 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 Draft 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 Draft 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 Draft Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Draft 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 Draft Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for registration with the RoC.

13. **Expert Opinion**

Except as stated elsewhere in this Draft 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, 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 BRLM	[•]	[•]	[•]
2.	Underwriting commission	[•]	[•]	[•]
3.	Brokerage & Selling commission	[•]	[•]	[•]
4.	Advertisement & Marketing expenses	[•]	[•]	[•]
5.	Printing and Stationery, Distribution, postage etc	[•]	[•]	[•]
6.	Fees of Registrar to the issue	[•]	[•]	[•]
7.	Other Expenses (including legal fees, filing fees, listing fees, depository charges etc)	[•]	[•]	[•]
8.	Contingencies	[•]	[•]	[•]
	Total	**[•]**	**[•]**	**[•]**

* - Will be incorporated after finalization of Issue price

Fees Payable to The BRLM

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 with SREI Capital Markets Ltd, dated July 11, 2007 a copy of which is 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 July 2, 2007 signed with 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 (1)(B) 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. 154 of this Draft 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 us.

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 for Equity Shares of the Company, if listed**

This being the first public issue of the Company the Equity Shares of the company is 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, Intime Spectrum Registry 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 center where the application was submitted.

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 it 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 where external agencies are involved, the Company or the Registrars 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.: (011) 41628325/26836394
Fax: (011) 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 the 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, 2006.

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 this Draft 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 March 15, 2007, 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 June 2, 2007, 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 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 allotees 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. 236 of this Draft 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 Draft 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.

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. 236 of this Draft 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. Under 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 multiples of one Equity Share, subject to a minimum allotment of **[•]** 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 Issue to public including devolvement of the members of the syndicate, if any, within 60 days from the bid / 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, we 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 finalization of the basis 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

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. 236 of this Draft 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

i. 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 this Draft 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 **[•]** Equity Shares of Rs. 10/- each for cash at a price of Rs. **[•]** per equity share for cash aggregating Rs. **[•]** Lakhs being made through a 100% book building process. The Issue will constitute **[•]** % of the post-issue paid-up capital of the Company.

Details of the Issue structure are tabulated below:

Particulars	**QIBs**	**Non Institutional Bidders**	**Retail Bidders**
Number of Equity Shares (Available for allocation) *	Up to **[•]** equity shares	Not less than **[•]** equity shares	Not less than **[•]** equity shares
Percentage of Issue size available for allocation	Up to 50% of the Issue size shall be available for QIBs out of which 5% shall be available for Mutual Funds	Not less than 15% of the Issue size	Not less than 35% of the Issue size
Basis of Allocation or Allotment if Respective category is Oversubscribed (subject to sectoral cap and specified investment limits)	Proportionate	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of **[•]** equity shares thereafter	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of [•] equity shares thereafter	**[•]** Equity Shares and thereafter in multiples of **[•]** thereafter
Maximum Bid	Not exceeding the Issue size subject to regulations as applicable to the Bidders	Not exceeding the Issue size subject to regulations as applicable to the Bidders	Such number of Equity Shares so as to ensure that whereby 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
Trading Lot/ Market Lot	One Equity Share	One Equity Share	One Equity Share
Bidding Lot	**[•]** Equity Shares and thereafter in multiples of **[•]**	**[•]** Equity Shares and thereafter in multiples of **[•]**	**[•]** Equity Shares and thereafter in multiples of **[•]**
Who can apply **	Public financial institutions as specified in Section	Companies, Corporate Bodies, Scientific Institutions Societies	Resident Indian Individuals, HUF(in the name of the Karta)

	4A of the Companies Act, FIIs registered with SEBI, 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 Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 2,500 Lakhs and pension funds with minimum corpus of Rs. 2,500 Lakhs in accordance with applicable law.	and Trusts Resident Indian individuals, HUF (in the name of Karta) and NRIs (applying for an amount exceeding Rs.1,00,000)	and eligible NRIs applying for an amount up to Rs.1, 00,000.
Terms of Payment	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	Margin Amount of at least 10% of the Bid amount at the time of submission of Bid cum Application Form to the members of the Syndicate	Full Bid Amount at the time of submission of Bid cum Application Form to the members of the Syndicate	Full Bid Amount at the time of submission of Bid cum Application Form to the members of the Syndicate

* 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 BRLM.

** In case the Bid-cum-Application 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.

ii. 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 this Draft 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 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 Issue would be allocated to Non-Institutional Bidders and not less than 35% of the 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. QIB Bids can be submitted only through Syndicate members. In the case of QIB Bidders, the Company in consultation with the BRLM 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 BRLM, 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.

Bid-cum-Application Form

Bidders 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 this Draft Red Herring Prospectus. The Bidder 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 Red Herring 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 this Draft Red Herring Prospectus and Bid-cum-Application Form as would be required for filing the Red Herring 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.

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

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, I860, 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 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

Pursuant to the existing regulations, OCBs are not eligible to participate in the Issue.

Note: The BRLM 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 BRLM, 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 **[•]** 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., **[•]** 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 paidup 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 **[●]** 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. 208 of this Draft 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.

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.

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, whilist 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, a Foreign Venture Capital Investor can invests 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.

The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Draft 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.

The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Draft 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

a) **For Retail Individual Bidders**:

The Bid must be for a minimum of **[•]** Equity Shares and in multiples of **[•]** 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.

b) **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 **[•]** 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.

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 Draft 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 BRLM 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 BRLM/ 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.

Method and Process of Bidding

1. The Company and the BRLM 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 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. The 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) and the 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. 210 of the Draft 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. 213 of the Draft 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. 212 of the Draft 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".

Bids at Different Price Levels

1. The price band has been fixed at Rs. **[•]** to Rs. **[•]** per Equity Share of Rs.10/- each, Rs. **[•]** being the floor of the price band and Rs. **[•]** 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 BRLM, 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 BRLM and the websites and the terminals of the Syndicate Members.

4. The Company, in consultation with the BRLM, 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 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 for more than Rs.100,000 and such Bids from QIBs, Non Institutional Bidders will be rejected.

6. Retail Individual Bidders 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 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 (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 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 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 Draft 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 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. **[●]** to Rs. **[●]**. The issuer company, in consultation with the BRLM, 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 **[●]** Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. **[●]** to Rs. **[●]**.

Application in the Issue

Equity Shares being issued through the Draft 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 Banks 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 Draft 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 Draft 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 BRLM to facilitate collections from the Bidders.

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. 222 of this Draft 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 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. 32-33 and 202-203 of this Draft 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 BRLM. If the payment is not made favoring 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.

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 downloaded 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
- Payment made upon submission of Bid-cum-Application Form.
  Payment/ 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. Depository Participant Identification no. and client identification no. of the dematerialized account of the Bidder. 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**.** 225 in the Draft 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, BRLM 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 this Draft 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 this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or continued to be on the BSE and NSE.

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 BRLM 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 Draft 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 BRLM, based on the physical records of Bid cum Application Forms, shall be final and binding on all concerned.

Price Discovery and Allocation/Allotment

a. After the Bid Closing Date, the BRLM shall analyze the demand generated at various price levels and discuss the pricing strategy with the Company.

b. The Company, in consultation with the BRLM 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 Issue size (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. 227 of this Draft Red Herring Prospectus. The allocation to Non-Institutional Bidders of not less than 15% of the Issue size and Retail Individual Bidders of not less than 35% of the Issue size 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 BRLM and the Designated Stock Exchange. However if the aggregate demand by mutual funds is less than 4,41,019 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.

e. 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.

f. The BRLM 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.

g. 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.

h. The allotment details shall be put on the websites of the Registrar to the Issue

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 BRLM, 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 'Red Herring Prospectus'. The Red Herring 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 Draft 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 Draft Red Herring Prospectus

The Company will issue a statutory advertisement after the filing of this Draft 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 Draft Red Herring Prospectus and the date of Red Herring 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 BRLM 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 BRLM 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 "Allotment Reconciliation and Revised CANs" as set forth under the chapter "Terms of Issue" of this Draft 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 Draft 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 and ensure that you have attached copies of your PAN card or PAN allotment letter with the Bid cum Application Form, where the maximum Bid for Equity Shares by a Bidder is for a total value of Rs. 50,000/- or more. 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 BRLM 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, 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 Draft Red Herring Prospectus

h. Do not Bid at Bid Amount exceeding Rs 100,000 (for Retail Individual Bidders);

i. Submit Bids accompanied by stockinvest.

j. 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 BRLM or Syndicate Members.

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 **[•]** Equity Shares and in multiples of **[•]** 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 **[•]** 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. 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.

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 BRLM 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 DEMATERIALSED 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 will be 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 BRLM, nor the Company shall have any responsibility and undertake any liability for the same.**

Bidders may note that delivery of refund orders/allocation advice/CANs 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 we, the BRLM and shall not have any responsibility nor 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 and the demographic Details given by Bidders in the Bid-cum-Application Form would not be used for these 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 Bidders' sole risk and neither the Bank nor the BRLM 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 Non Residents, NRIs, FIIs and Foreign Venture Capital Investors registered with SEBI on a repatriation basis

Bids and revision to Bids must be made:

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 **[●]** 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 **[●]** 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.

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 BRLM 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. 250 million and pension funds with minimum corpus of Rs. 250 million, 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 BRLM 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

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 BRLM 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 BRLM 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 **[•]** Equity Shares and in multiples of **[•]** 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. 208 of this Draft Red Herring Prospectus.
- **By FIIs** – for a minimum of such number of Equity Shares and in multiples of **[•]** that the Bid Amount exceeds Rs. 100,000.
- 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.

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.

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:

Payment into Escrow Account of the Company

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 the above margin amount paid by the Bidders during the Bidding/Issue Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall 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 BRLM.

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 Resident "

    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"

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 of a 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. No later than I5 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. 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 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.

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.

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/GIR numbers. In cases where the PAN/GIR numbers are different, the same will be deleted from this master.

3. Then the addresses of all these applications from the address master will be strung. 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.

4. The applications will be scanned for similar DP ID and Client ID numbers. In case applications bear the same numbers, these will be treated as multiple applications.

5. 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

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.

The BRLM 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

Where Bid(s) is/are for Rs. 50,000 or more, 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. **The copy of the PAN card or PAN allotment letter is required to be submitted with the Bid-cum-Application Form.**

Applications without this information and documents 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.** In case the Sole/First Bidder and Joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable" and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should Mention "Applied for" in the Bid cum Application Form. Further, where the Bidder(s) has mentioned "Applied for" or "Not Applicable", the Sole/First Bidder and each of the Joint Bidder(s), as the case may be, would be required to submit Form 60 (Form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address:

a. Ration Card
b. Passport
c. Driving License
d. Identity Card issued by any institution
e. Copy of the electricity bill or telephone bill showing residential address
f. Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address
g. Any other documentary evidence in support of address given in the declaration.

It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All Bidders are requested to furnish, where applicable, the revised Form 60 or 61, as the case may be.

UNIQUE IDENTIFICATION NUMBER - MAPIN

With effect from July 1, 2005, SEBI had decided to suspend all fresh registrations 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 Draft 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 Bidders, 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 photocopy/PAN communication/Form 60 or Form 61 declaration along with documentary evidence in support of address given in the declaration, not given if Bid is for Rs. 50,000 or more;

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 **[•]**;

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 BRLM 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 this Draft Red Herring Prospectus and as per the instructions in this Draft 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 Depositary 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 by OCBs or

23. 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.

24. 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. 210 of this Draft Red Herring Prospectus

25. 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;

26. Bids by QIBs not submitted through members of the Syndicate;

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 **[•]** 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 **[•]** Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of **[•]** 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 **[•]** 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 **[•]** Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of **[•]**. 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 an amount of **[•]** 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 **[•]** 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., **[•]** 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. The number of Equity Shares available for this category shall be the QIB Portion less allocation only to Mutual Funds as calculated in (a) above.

   ii. The subscription level for this category shall be determined based on the overall subscription in the QIB Portion less allocation only to Mutual Funds as calculated in (a) above.

   iii. Based on the above, the level of the subscription shall be determined and proportionate allocation to all QIBs including Mutual Funds in this category shall be made.

The aggregate allotment to QIB Bidders shall be up to **[•]** Equity Shares.

In case the aggregate demand in this category is greater than **[•]** Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of **[•]** Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate basis of allocation refer below.

Under-subscription, if any, in any category would be met with spillover from other categories at the sole discretion of the Company, in consultation with the BRLM.

The BRLM, 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 to Retail and non Institutional Bidders 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 BRLM, 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 the **[•].**

The subscription of for each portion will be computed separately

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 **[•]** Equity Shares per Bidder, the allotment shall be made as follows:

   - Each successful Bidder shall be allotted a minimum of **[•]** 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 **[•]** 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 **[•]** among NSDL, the Company and the Registrar to the Issue.

ii. An Agreement dated **[•]**, 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/transferred 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. Non transferable allotment advice or refund orders will be directly sent to the Bidder by the Registrar to this Issue.

f. 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.

g. 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.

h. 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.

i. 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.

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 Intime Spectrum Registry 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. He may be contacted at:

Mr. Santosh Kumar Pattanayak
Company Secretary
C-631 New Friends Colony,
New Delhi – 110 065
India
Pin: 110065
Tel.: (011) 41628325/26836394
Fax: (011) 26822805
E-mail: ipo@globusgroup.in
Website: www.globusspirits.com

Address of the Registrar:

INTIME SPECTRUM REGISTRY 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. Vishwas Attawar
E-mail: globus.ipo@intimespectrum.com
Website: www.intimespectrum.com
SEBI Regn. No.: INR 000003761

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 finalisation of allotment of Equity Shares. The Company shall dispatch refund above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk, except for Bidders who have opted to receive refunds through the ECS facility or RTGS or Direct Credit.

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.

Letters of Allotment or Refund Orders

We shall give credit to the beneficiary account with depository participants within 15 working days of the Bid/Issue closing date. We shall ensure refunds as per the modes of refund discussed in the paragraph below:

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI DIP Guidelines, we further undertake 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**

  Refunds will be done within 15 days from the Bid/Issue Closing Date at the sole or First Bidder's sole risk. The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue; and

- **Interest in case of delay in dispatch of allotment letters/refund orders**

  The Company 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 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 an Escrow Collection Bank and payable at par at places where Bids are received except where the refund or portion thereof is made in electronic manner as described above. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

No separate receipts shall be issued for the money payable on the submission of Bid-cum Application Form or Revision Form. However, the collection center 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**

   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.

2. **ECS**

   Payment of refund shall be undertaken through ECS for applicants having an account at any of the following fifteen centres: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New

Delhi, Patna and Thiruvananthapuram. 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 fifteen 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 abovementioned fifteen centres 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.

   In case of revision in the Price Band, the Bidding/Issue Period shall be extended for three additional days after revision of Price Band. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and NSE, by issuing a press release, and by indicating the change on the web site of the BRLM at the terminals of the Syndicate

Please note that applicants having a bank account at any of the 15 centres where the clearing houses for ECS are managed by the RBI 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.

Dispatch of Refund Orders

The Company shall make refunds to applicants in case of over subscription using the following modes.

In case of applicants not residing in any of the centres specified by the SEBI, the refunds shall be credited to the bank accounts of applicants through electronic transfer of funds by using Electronic Clearing Service (ECS) Direct Credit, Real Time

Gross Settlement (RTGS) or National Electronic Fund Transfer (NEFT), as is for the time being permitted by the Reserve Bank of India.

In case of other applicants – by dispatch 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 SEBI- crediting of refunds to the applicants in other electronic manner permissible under the banking laws for the time being in force which is permitted by SEBI from time to time.

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

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 fulfillment 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.

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; and

f. That no further Issue of Equity Shares shall be made until the Equity Shares issued through this Draft Red Herring Prospectus are listed or until the Bid moneys are refunded on account of non-listing, under subscription, etc.

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.

Pending utilization for the purposes described above, the company intends to invest the funds in high quality interest/dividend bearing liquid instruments including money market mutual funds, bank deposits and similar securities with banks for necessary duration. Such Investment would be in accordance with the investment policies approved by the Board from time to time.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates 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 investments.

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.

The Equity Shares have not been and will not be registered under 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 or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

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 equity shares to be issued is not less than the price at which the equity shares are issued to residents.

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 paidup 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.

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 Off ice 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 installments, 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, excepts 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 certificete in lieu of which it is issued surrendered to the Company.

(b) When a new share certificete 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 certificete has been issued in pursuance of clause (c) of this Article, it shall state on the face of it or counterfil 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 maintanance, 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 subarticle (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 installments 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 on 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 installments.

(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 clairned 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, fulfillment, 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 installment 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 installment 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 installment 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 installment 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 installments, 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 installment, 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 Off ice 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 effort 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 I 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, 1 996.

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 dernaterialized 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 ft.

   (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 Off ice 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 off ice 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 fights 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 notarially 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 Passing of 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 red 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 exoffico 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: -

(a) 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

(b) he is found to be of unsound mind by a Court of competent jurisdiction; or

(c) he applies to be adjudicated an insolvent;

(d) or he is adjudged insolvent; or

(e) 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

(f) he falls 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

(g) he absents from three consecutive meetings of the Board or from all meetings of the Board for a continuous period of three rnonths whichever is the longer, without obtaining leave of absence from the Board; or

(h) 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

(i) he acts in contravention of Section 299 of the Act; or

(j) he has been removed from office in pursuance of Section 203 c the Act; or

(k) by notice in writing to the Company that he resigns his office; or

(l) 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, firms 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,OO0/(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(l) - 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. It no Chairman is appointed, or if it 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 for 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 f it; 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 of expedient of 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 or 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 my (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 1 9(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, I 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 with in 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 year 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 off ice, 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 exfacie 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 Off ice 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 I 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 drives 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 Ike 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 or 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

i. 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 Draft 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 Draft 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 Draft Red Herring Prospectus till the Closing Date of the Issue.

Material Contracts

i) Letter of Appointment dated April 4, 2007 from the Issuer Company appointing SREI Capital Markets Limited as Book Running Lead Manager to the Issue.
ii) Memorandum of Understanding dated July 11, 2007 entered into by the Issuer Company with SREI Capital Markets Ltd.
iii) Letter of Appointment dated July 2, 2007 from the Issuer Company appointing Intime Spectrum Registry Limited as Registrar to the Issue.
iv) Memorandum of Understanding dated July 2, 2007 entered into by the Issuer Company with Intime Spectrum Registry Limited.
v) Engagement Letter dated May 25, 2007 to M/s Vaish Associates appointing them as Legal Advisor to the Issue.
vi) Escrow Agreement dated **[•]** between the Company, the BRLM, the Escrow Collection Banks and the Registrar to the Issue.
vii) Syndicate Agreement dated **[•]** between the Company, the BRLM, and the Syndicate Members.
viii) Underwriting Agreement dated **[•]** between the Company, the BRLM, and the Syndicate Members.
ix) Tripartite Agreement dated **[•]** between the Company, NSDL and Intime Spectrum Registry Limited.
x) Tripartite Agreement dated **[•]** between the Company, CDSL and Intime Spectrum Registry 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 & Usership Agreement entered into by the Company with Associated Distilleries Limited (ADL) on April 15, 2007.
xiv) Copy of the Manufacturing Agreement entered into by the Company with SVP Industries Limited on April 18, 2007.

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 March 15, 2007 for the proposed Public Issue.
vi) Special Resolution passed by the shareholders of the Company at the EGM held on June 2, 2007, pursuant to Section 81 (1A) of the Companies Act, 1956.
vii) Initial listing applications dated **[•]** and **[•]** filed with BSE and NSE.
viii) Copies of Audited Financial Results of Globus Spirits Limited for the years ended 31st March, 2003, 2004, 2005, 2006 and 2007.

ix) Auditor’s Report on the Restated financial statements of the Company June 8, 2007 and included in the Draft Red Herring Prospectus.
x) Sanction letters towards Term Loan and Working Capital facilities.
xi) 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.
xii) Tax Benefit Certificate dated June 8, 2007 from M/s B.M. Chatrath & Co., Chartered Accountants, Statutory Auditors of the Company.
xiii) Copy of the Auditors Certificate dated June 25, 2007 from M/s B.M. Chatrath & Co. Chartered Accountants regarding the Sources and Deployment of Funds as on March 31, 2007.
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, 2006 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 **[•]**, and from NSE dated **[•]**.
xviii) General Power of Attorney dated July 11, 2007 executed by Directors in favour of Mr. Ajay Kumar Swarup and/or Mr. Manik Lal Dutta for signing and making necessary changes in the Draft Red Herring Prospectus.
xix) Legal Advisor’s Due-Diligence Certificate dated July 9, 2007.
xx) Due Diligence Certificate dated July 10, 2007 to SEBI from SREI Capital Markets Ltd.
xxi) SEBI Observation Letter no. **[•]** dated **[•]**.
xxii) Reply to SEBI’s observations vide letter dated **[•]**.
xxiii) Resolution of the Members of the Company passed at the AGM held on September 30, 2006 appointing M/s B.M. Chatrath & Co., Chartered Accountants, as statutory auditors.
xxiv) Copies of forms along with relevant resolutions regarding increase in the Authorised Share Capital.
xxv) Copy of the Board Resolution approving this Draft Red Herring Prospectus.
xxvi) Extracts of industry information used in this Draft Red Herring Prospectus.
xxvii) Agreement entered into on April 13, 2007 between the Compay, Mr. Deepak Roy and Mr. Ajay Kumar Swarup.

Any of the contracts or documents mentioned in this Draft 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.

ii. **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 Draft 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 Draft 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, Vice President (Finance)

Signed by Mr. Santosh Kumar Pattanayak, Company Secretary

Place: New Delhi
Date : July 11, 2007