



ENAbling Excellence

Globus Spirits Limited
2017-18 Annual Report



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Corporate Information

Chairman

Mr. Joginder Singh Dhamija
(Non Executive & Independent Director)

Managing Director

Mr. Ajay Kumar Swarup

Joint Managing Director

Mr. Shekhar Swarup

Executive Directors

Mr. Vijay Kumar Rekhi
Mr. Manik Lal Dutta
Dr. Bhaskar Roy

Non-Executive Directors

Mr. Richard Piliero.
Ms. Ruchika Bansal

Non-Executive & Independent Directors

Mr. Sunil Chadha.
Mr. Santosh Kumar Bishwal
Mr. Kunal Agarwal

Key Managerial Personnel

Mr. Santosh Kumar Pattanayak : Company Secretary
Mr. Ajay Kumar Goyal : CFO

Auditors

M/s Deloitte Haskins & Sells
Chartered Accountants,
7th Floor, Building : 10, Tower B, DLF Cyber City Complex,
DLF City Phase-II, Gurgaon-122002, Haryana

Bankers

State Bank of India, HDFC Bank,
Axis Bank, Lakshmi Vilas Bank,

Registered Office :

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

Registrar & Share Transfer Agents

Link Intime India Private Limited
44, Community Centre, 2nd Floor, Naraina Industrial Area
Phase-I, Near PVR Naraina, New Delhi-110028

Stock Exchanges where the Company is listed : 1) Bombay Stock Exchange
: 2) National Stock Exchange

Website : www.globusspirits.com

Plant Locations

Globus Spirits Limited,
Vill: Shyampur, Tehsil: Behror, Dist: Alwar, Rajasthan
Haryana Organics (A u/o Globus Spirits Limited),
4K.M., Chulkana Road, Vill: Samalkha, Dist: Panipat, Haryana
Associated Distilleries (A u/o Globus Spirits Limited),
National Highway, Hisar Bye-pass, Hisar, Haryana
Globus Spirits Limited,
Vill: Duduha, Tehsil : Jandaha, Dist: Vaishali, Bihar
Globus Spirits Limited,
Plot B-7, Panagarh Industrial Area,
Panagarh, Dist: Burdwan, West Bengal



ENAbling Excellence

Through our commitment to performance we have been

.....ENAbling **Product excellence** by producing and using highest quality of “ENA” or Extra Neutral Alcohol

.....ENAbling **Marketing excellence** by pioneering branding at the bottom of the pyramid ‘IMIL’ market as well as creating innovative ‘IMFL’ brands

.....ENAbling **Organizational excellence** achieved through our unique 360 degree business model, allowing for high capacity utilization

.....ENAbling **Manufacturing excellence** by establishing world-class, fully integrated, earth-friendly distilleries that produce reliable products at better efficiencies

ENAbling Product Excellence

The Extra Neutral Alcohol that is fractioned in our multi-pressure columns assures higher purity than conventional re-distillation techniques thereby providing safer and better tasting beverages. In addition, stringent controls over the natural fermentation process ensures that every batch of ENA is ENAbling excellence, day after day.

In fact, we were the 1st company to use this high quality ENA for producing IMIL even before the Government started to mandate it.

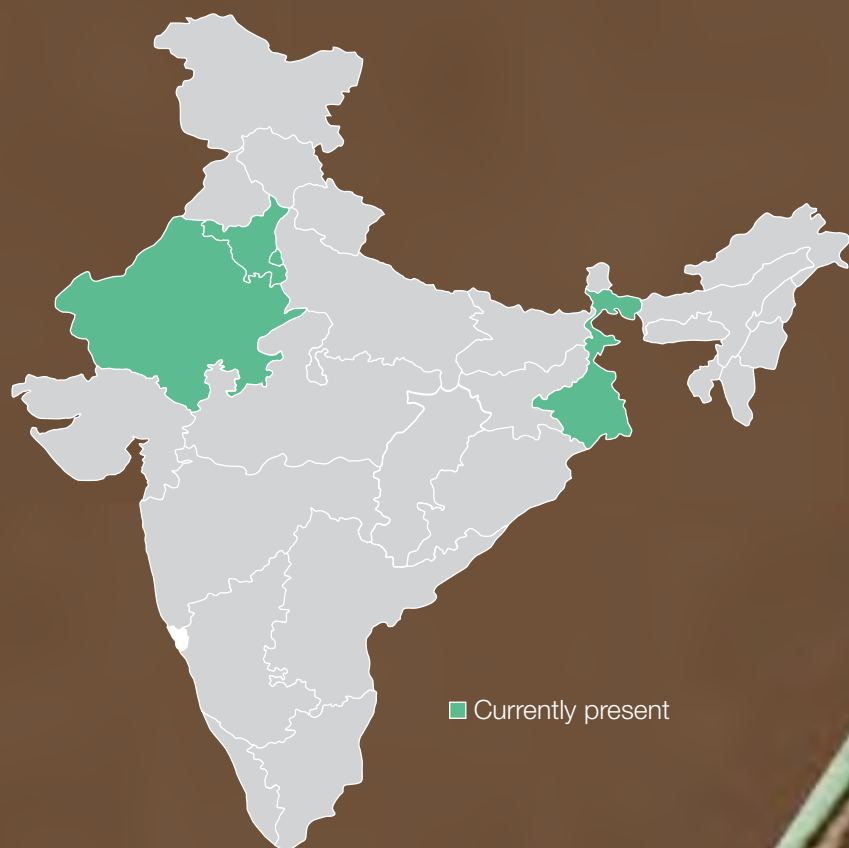


ENAbling Marketing Excellence

Our product excellence has ENAbled us to pioneer branding in the IMIL space with launch of India's 1st ENA based country liquor brand– Nimboo. As a first for the industry, we gave the bottom of the pyramid consumer a better tasting product, along with superior packaging that the consumers otherwise expect from other FMCG lines. This has led to a higher value perception of our brands. Little wonder then, that every day we are redefining 'country liquor' in India.

ENAbling PAN India IMIL leadership

We envisage ourselves as becoming PAN India IMIL leaders, making the most of opportunities emerging in new markets. Our entry in West Bengal is a step towards the same.



■ Currently present

ENAbling Organizational Excellence

Led by a blend of experience-led wisdom and youthful exuberance, Globus Spirits operates with high standards of Corporate Governance creating value for all of its stakeholders.

RIGHT STRATEGY

Our unique 360 degree business model has been perfected over two decades. Our approach allows for greater control on quality of our consumer products and higher utilization of ENA facilities enabling us to generate healthy returns.

RIGHT PARTNERS

We believe strong partnerships, whether it be in the form of relationships with customers, employees or investors, are critical in growth of a company. We have tirelessly worked towards building the right kind of partnerships and have established deep relationships with stakeholders.

RIGHT VALUES

We operate on high standards of governance, fair and transparent in all our dealings whether internally or with

our customers, suppliers, and dealers. We encourage a culture of participation and truthfulness.

RIGHT TEAM

A strong team, unified in its vision, is critical to the success of any organisation. Over the years, we have built a dynamic and robust team backed by deep industry experience, reflected in a well defined and effective organisation structure.



ENAbiling Manufacturing Excellence

Our manufacturing facilities are ENAbiling excellence by maximising yields from raw material. Our fully operational production units allow us to maximise alcohol yield while maximising production of by products leading to complete utilisation of the raw material.

These facilities are also ENAbiling a clean environment with a zero pollution footprint and cogeneration of power using renewable biomass as fuel.

ENAbled excellence in our manufacturing facilities helped us achieve:

- ~114 million litres of production with zero discharge
- End to end production of over 16 million cases of bottled beverages
- ~90% utilization of operating capacity, ~45% used in-house for value added products
- Over 5 years of relationship with India's top 2 IMFL companies



ENAbiling Excellence at Unibev

Our premium IMFL venture, Unibev, is ENAbiling excellence by creating a disruption in the market with a robust portfolio of differentiated brands having an age claim. Unibev is a collaborative beverage alcohol start up led by Vijay Rekhi, former President of United Spirits and a liquor industry veteran.

Unibev is focusing on high margin, low volume fast growing premium IMFL segment which has hitherto been dominated by a few select brands. The sharp rise in discretionary spends, increasing number of aspiring consumers and lack of options for consumers makes this category particularly attractive. Unibev, backed by an experienced team having a strong track record of creating successful brands, is poised to leverage these trends.

Unibev's L'Affaire Napoleon Premium French brandy, created with 3 Year Old matured grape spirit, was launched in Puducherry in December 2017. Recently Unibev launched Governor's Reserve whisky created with 12 Year Old matured scotch and Oakton Barrel Aged whisky created with 18 Year Old matured scotch. The company will soon introduce its super premium whisky, Seventh Heaven Blue, blended with 21 Year Old matured scotch.

360° EXPANSION IN FY18

01

STRENGTHENING OF OUR BRANDS

Ghoomer, largest selling IMIL brand by a private player in Rajasthan, with over 16% market share

Launched Goldee as an umbrell brand with multiple flavor variants in West Bengal

02

MAINTAINED DOMINANCE IN IMIL MARKET

with total sales of ~12.9 mn cases; significant market share in states of presence

03

STEADY PERFORMANCE OF IMFL FRANCHISEE BUSINESS WITH VOLUMES SUSTAINING AT ~3.4MN CASES

04

ACHIEVED ROBUST PERFORMANCE IN BULK ALCOHOL PRODUCTION WITH VOLUME CAGR OF 12.9% DURING FY13 TO FY18

Sustained high utilization levels due to 360° degree approach

Total capacity¹ of ~150mn Bulk Litres of alcohol

05

EXPANDING IMIL FOOTPRINT

Recently entered attractive West Bengal IMIL market backed by the 360° model

06

FORAYING INTO PREMIUM IMFL

Unibev, premium IMFL venture, launched its first brand in Pondicherry

07

FINANCIAL HIGHLIGHTS

Steady growth of 25.2% to reach revenues of ~₹ 9.7bn

EBITDA of ₹ 749mn and PAT of ₹ 70mn

Sound balance sheet position with debt-equity ratio of 0.64x

¹Bihar plant having capacity of ~26mn litres was closed during the entire year pursuant to Bihar government regulation pertaining to distilleries.

