

**Globe Capital Market Limited**  
**Consolidated Financial Statement**  
**For the year ended 31 March 2017**

**Independent Auditors' Report  
To the Members of Globe Capital Market Limited**

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Globe Capital Market Limited ('the Holding Company'), and its subsidiaries and a step-down subsidiary (or 'the components') (together referred to as 'the Group'), which comprise the consolidated Balance Sheet as at 31 March 2017, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, (hereinafter referred to as the 'consolidated financial statements').

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.



We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the information and explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Other matter**

The results of three (previous year two) subsidiaries whose financial statements reflect total assets of Rs. 6,268,386,199 (previous year Rs. 5,229,392,935) as at 31 March 2017, total revenue (including other income) of Rs. 873,248,546 (previous year Rs. 780,408,914), and cash inflows of Rs. 42,709,299 (previous year Rs. 82,283,985) for the year ended on that date, as considered in the consolidated financial statements, have been audited by P.C. Bindal & Co.. B S R & Co. LLP has placed reliance on the audit reports furnished by management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Further, we did not audit the financial statements and other financial information of one step-down subsidiary incorporated outside India, included in these consolidated financial statements, which constitute total assets amounting to Rs. 149,244,322 (previous year Rs. 176,477,829) as at 31 March 2017, total revenue (including other income) of Rs. 3,462,830 (previous year Rs. 6,755,525), and net cash inflow amounting to Rs. 44,345,388 (previous year outflow of Rs. 11,506,003) for the year then ended. The financial statements and other financial information of the step down subsidiary as drawn up in accordance with the generally accepted accounting principles of the respective country ('the local GAAP') has been audited by other auditor duly qualified to act as the auditor in that country. The report of the other auditor has been furnished to us, and our opinion on the Consolidated Financial Statements, to the extent it has been derived from such financial statements is based solely on the report received of such other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of other auditors and the financial statements certified by the management.


### **Report on other legal and regulatory requirements**

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - (b) In our opinion, proper books of accounts as required by law related to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;



- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure to this report.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial statements of the Group – Refer Note 2.24 to the consolidated financial statements.
- (ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.
- (iv) The Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period 8 November 2016 to 30 December 2016. Based on the audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the management – Refer Note 2.32 of the consolidated financial statements.

For **BSR & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 101248W/W-100022


  
**Jiten Chopra**  
Partner  
Membership No.: 092894



Place: Gurgaon  
Date: 28 April 2017

For **P.C. Bindal & Co.**  
Chartered Accountants  
Firm Registration No.: 003824N

  
**K. C. Gupta**  
Partner  
Membership No.: 088638



Place: New Delhi  
Date: 28 April 2017

## **Annexure to the Independent Auditors' Report**

(Referred to our report of even date)

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of the Globe Capital Market Limited (the 'Holding Company'), and its subsidiary companies which are incorporated in India (together referred to as 'the Group'), as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.



## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Group, has in all material respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

## Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to a three subsidiaries company which are incorporated in India. The report on the adequacy and operating effectiveness of the internal financial controls over financial reporting has been provided by P.C. Bindal & Co.. B S R & Co. LLP has placed reliance on the reports furnished by the management and our opinion in respect these subsidiaries, is based solely on the reports of the other auditors.

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No.: 101248W/W-100022

**Jiten Chopra**

Partner

Membership No.: 092894

Place: Gurgaon

Date: 28 April 2017



For **P.C. Bindal & Co.**

Chartered Accountants

Firm Registration No.: 003824N

**K. C. Gupta**

Partner

Membership No.: 088638

Place: New Delhi

Date: 28 April 2017



**Globe Capital Market Limited**  
**Consolidated Balance Sheet as at 31 March 2017**  
(All amounts are in Indian rupees)

	Note	As at 31 March 2017	As at 31 March 2016
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	2.01	291,125,000	328,125,000
Reserves and surplus	2.02	10,460,570,874	9,998,558,588
Minority interest		-	-
<b>Non-current liabilities</b>			
Long-term borrowings	2.03	1,085,750,000	59,000,000
Long-term provisions	2.04	36,250,278	30,850,591
Deferred tax liabilities	2.11	1,037,642	-
<b>Current liabilities</b>			
Short-term borrowings	2.05	3,824,826,605	1,716,811,674
Trade payables	2.06		
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		29,600,906	20,048,763
Other current liabilities	2.07	7,229,876,401	5,330,756,566
Short-term provisions	2.08	99,062,347	64,510,082
		<b>23,058,100,053</b>	<b>17,548,661,264</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	2.09		
Tangible assets		43,690,703	35,808,244
Intangible assets		-	-
Non-current investments	2.10	601,066,777	488,939,839
Deferred tax assets	2.11	14,693,285	30,282,096
Long-term loans and advances	2.12	656,947,571	810,187,717
Other non-current assets	2.13	2,105,547,913	3,346,502,391
<b>Current assets</b>			
Inventories	2.14	2,850,806,777	2,579,243,316
Trade receivables	2.15	1,638,214,785	1,164,574,448
Cash and bank balances	2.16	7,700,898,435	4,395,730,923
Short-term loans and advances	2.17	7,371,725,728	3,749,409,234
Other current assets	2.18	74,508,079	947,983,056
		<b>23,058,100,053</b>	<b>17,548,661,264</b>

**Significant accounting policies and notes to the financial statements**

1, 2

The accompanying notes are an integral part of the financial statements

As per our report of even date attached.

For **BSR & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 101248W/W-100022



For **P.C.Bindal & Co.**  
Chartered Accountants  
Firm Registration No.: 003824N

For and on behalf of Board of Directors of  
**Globe Capital Market Limited**

  
**Jiten Chopra**  
Partner  
Membership No.: 092894  
  
Place: Gurgaon  
Date: 28 April 2017

  
**K. C. Gupta**  
Partner  
Membership No.: 088638  
  
Place: New Delhi  
Date: 28 April 2017

  
**Yashpal Mendiratta**  
Managing Director  
DIN: 00004185  
  
**Dhiraj Jaiswal**  
Company Secretary  
Place: New Delhi  
Date: 28 April 2017

  
**Ashok Kumar Agarwal**  
Whole-time Director  
DIN: 00003988  
  
**Amit Kumar Singhal**  
Chief Financial Officer

**Globe Capital Market Limited**  
**Consolidated Statement of Profit and Loss for the year ended 31 March 2017**  
 (All amounts are in Indian rupees)

	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Revenue</b>			
Revenue from operations	2.19	4,144,957,698	2,938,713,219
Other income	2.20	21,160,925	1,483,947
<b>Total revenue</b>		<b>4,166,118,623</b>	<b>2,940,197,166</b>
<b>Expenses</b>			
Employee benefits expenses	2.21	510,764,502	409,280,006
Other expenses	2.22	747,292,189	823,014,795
Finance cost	2.23	610,090,368	455,776,358
Depreciation and amortisation	2.09	8,203,626	9,702,964
<b>Total expenses</b>		<b>1,876,350,685</b>	<b>1,697,774,123</b>
<b>Profit before tax</b>		<b>2,289,767,938</b>	<b>1,242,423,043</b>
<b>Tax expense</b>			
Current income tax		724,610,000	417,640,000
Deferred tax charge/ (credit)		16,626,454	(990,373)
Prior year tax adjustment		(2,440,778)	-
<b>Profit after tax for the year</b>		<b>1,550,972,262</b>	<b>825,773,416</b>
<b>Earnings per equity share (par value Rs. 10 per share)</b>			
Basic and diluted earnings per share (Rs.)	2.29	50.68	25.17

**Significant accounting policies and notes to the financial statements**

1, 2

The accompanying notes are an integral part of the financial statements

As per our report of even date attached.

For **BSR & Co. LLP**

Chartered Accountants

Firm Registration No.: 101248W/W-100022

**Jiten Chopra**

Partner

Membership No.: 092894



Place: Gurgaon

Date: 28 April 2017

For **P.C.Bindal & Co.**

Chartered Accountants

Firm Registration No.: 003824N

**K. C. Gupta**

Partner

Membership No.: 088638



Place: New Delhi

Date: 28 April 2017

For and on behalf of Board of Directors of  
**Globe Capital Market Limited**

**Yashpal Mendiratta**

Managing Director

DIN: 00004185

**Dhraj Jaiswal**

Company Secretary

Place: New Delhi

Date: 28 April 2017

**Ashok Kumar Agarwal**

Whole-time Director

DIN: 00003988

**Amit Kumar Singhal**

Chief Financial Officer



**Globe Capital Market Limited**  
**Consolidated Cash Flow Statement for the year ended 31 March 2017**  
 (All amounts are in Indian rupees)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Cash flow from operating activities</b>		
Profit before tax	2,289,767,938	1,242,423,043
<b>Add:</b>		
Depreciation and amortisation	8,203,626	9,702,964
Bad debts written-off (net of provision no longer required written back)	38,953,199	20,471,020
Provision for doubtful debts	19,729,384	6,117,197
Provision for doubtful advances	21,600,000	-
Provision for standard assets	274,595	3,310,983
Provision for non-performing assets	550,275	4,375,025
Provision for special mention account (SMA)	-	4,112,737
Processing fees on term-loan	44,387,500	-
Discount on issuance of commercial paper (refer note 3 below)	85,199,751	79,266,915
Interest expense on term loans and bank overdrafts (refer note 3 below)	167,105,208	98,340,281
<b>Less:</b>		
Profit on sale of fixed assets (net)	(14,093)	(66,113)
Gain on sale of non-trade investments (net)	(87,776,746)	(8,387,983)
Interest on income-tax refund	(20,026,593)	-
Provision for non-performing assets	-	(26,063,030)
Bad debts recovered	(536,253)	(188,790)
Dividend earned from non-trade investments	(37,636,342)	(59,778,344)
Provisions no longer required written-back	(496,329)	(489,941)
<b>Operating profit before working capital changes</b>	<b>2,529,256,120</b>	<b>1,393,145,964</b>
<b>Adjustments for:</b>		
(Increase)/decrease in inventories	(271,563,463)	2,523,962,470
(Increase)/decrease in trade receivables	(540,245,430)	185,798,390
(Increase)/decrease in loans and advances (refer note 4 below)	(3,554,781,656)	46,783,583
(Increase)/decrease in other current assets (refer note 4 below)	873,474,977	(873,896,905)
(Increase)/decrease in other bank balances (refer note 2 below)	(1,557,117,766)	(782,191,840)
Increase/(decrease) in trade payables	9,558,531	(95,295,903)
Increase/(decrease) in liabilities and provisions (refer note 3 below)	1,578,550,147	694,463,946
<b>Cash generated from operations</b>	<b>(932,868,538)</b>	<b>3,092,769,705</b>
Income taxes paid (net of refund)	(617,651,225)	(401,809,262)
Interest on income-tax refund	20,026,593	-
<b>Net cash (used in) generated from operating activities (A)</b>	<b>(1,530,493,170)</b>	<b>2,690,960,443</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(16,348,761)	(10,760,247)
Proceeds from sale of fixed assets	276,769	573,549
Purchase of investments	(193,402,670)	(432,611,621)
Proceeds from disposal of investments	169,052,481	26,043,371
Dividend on long term investments	37,636,342	39,778,344
<b>Net cash (used in) generated from investing activities (B)</b>	<b>(2,785,839)</b>	<b>(376,976,604)</b>
<b>Cash flow from financing activities</b>		
Interest paid on term loans and overdrafts	(166,520,071)	(98,125,428)
Proceeds/(repayment) loan from related parties (refer to Note 5 below)	500,000	(20,000,000)
Proceeds from term loans (net of processing fees)	1,468,898,288	-
Repayment of term loans	(161,535,788)	(161,269,492)
Proceeds from commercial paper (net of discount on issue)	4,368,893,270	3,377,136,156
Repayment of commercial paper	(3,926,002,670)	(3,749,000,000)
Payment for equity shares buy-back	(1,117,400,000)	-
Proceeds/(repayment) from		
bank overdrafts (net) (refer to Note 5 below)	1,355,000,380	(1,198,688,219)
others (net) (refer to Note 5 below)	224,424,200	(509,987,000)
<b>Net cash generated/(used in) financing activities (C)</b>	<b>2,046,257,609</b>	<b>(2,350,933,983)</b>
<b>Increase in cash or cash equivalents (A+B+C)</b>	<b>512,978,600</b>	<b>(36,950,144)</b>
Add: Adjustment on consolidation of subsidiaries/step-subsidiaries	(8,070,239)	9,818,658
<b>Net increase in cash or cash equivalents</b>	<b>504,908,361</b>	<b>(27,131,486)</b>
Cash and cash equivalent at the beginning of the year (refer note 2.16)	247,736,843	274,868,329
<b>Cash and cash equivalent at the end of the year (refer note 2.16)</b>	<b>752,645,204</b>	<b>247,736,843</b>

**Notes:**

- The above Cash Flow Statement has been prepared under the indirect method set out in AS-3 on 'Cash Flow Statement', as per Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- Fixed deposits and related interest income have been included in the operating activities, since these are directly attributable to the primary revenue generating operations of the Company.
- Interest expense on others and other borrowing cost (excluding discount on commercial paper and processing fees on term loan) has been included in operating activities.
- Include both long-term and short-term assets/ liabilities.
- Net figures have been reported on account of volume of transactions.

As per our report of even date attached

**B S R & Co. LLP**  
 Chartered Accountants  
 Firm Registration No. 101248W/W-100022

**P. C. Bindal & Co.**  
 Chartered Accountants  
 Firm Registration No. 003824N

For and on behalf of Board of Directors of  
**Globe Capital Market Limited**

**Jiten Chopra**  
 Partner  
 Membership No. 992894

**K. C. Gupta**  
 Partner  
 Membership No. 0886378

**Yashpal Mendiratta**  
 Managing Director  
 DIN: 00004185

**Ashok Kumar Agarwal**  
 Whole-time Director  
 DIN: 00005989

Place: Gurgaon  
 Date: 28 April 2017

Place: New Delhi  
 Date: 28 April 2017

Place: New Delhi  
 Date: 28 April 2017



**Dhiraj Jaiswal**  
 Company Secretary

**Amit Kumar Singhal**  
 Chief Financial Officer

## Globe Capital Market Limited

Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2017  
(All amounts are in Indian Rupees)

### 1. Significant accounting policies

#### (i) Basis of preparation

The Consolidated Financial Statements (hereinafter referred to as 'CFS') of Globe Capital Market Limited ('the Company') and its subsidiaries and step-down subsidiary, (together referred to as 'the Group') are prepared under the historical cost convention on a going concern basis, i.e. on the accrual basis of accounting, in accordance with the Indian Generally Accepted Accounting Principles (GAAP) and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable, relevant pronouncements of the Institute of Chartered Accountants of India ('ICAI') and Master Direction - Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 vide RBI/DNBR/2016-17/44 Master Direction DNBR.PD.007/03.10.119/2016-17 dated 1 September 2016 issued by the Reserve Bank of India as applicable to a subsidiary company - Globe Fincap Limited. Also refer to (iv) below.

- (ii) The Consolidated Financial Statements comprise the results of the Company, its subsidiaries, and step down subsidiary which have been listed below:

Name of the subsidiary/ step-down subsidiary	Country of incorporation	Proportion of ownership	Date of incorporation / acquisition
Globe Commodities Limited	India	100%	1 April 2007
Globe Fincap Limited	India	100%	3 April 2008
Globe Derivatives and Securities Limited	India	100%	27 October 2010
Globe Comex International DMCC *	Dubai, United Arab Emirates	100%	22 October 2005
Globe Capital (IFSC) Limited	India	100%	9 December 2016

\* 100% subsidiary of Globe Commodities Limited

#### (iii) Current-non-current classification

All assets and liabilities are classified into current and non-current.

##### Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.



## Globe Capital Market Limited

Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2017  
(All amounts are in Indian Rupees)

### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

### Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

### (iv) Consolidation procedures

- The CFS are prepared in accordance with Accounting Standard (AS-21) 'Consolidated Financial Statements' as notified under the Companies (Accounts) Rules, 2014. The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together sums of like nature, comprising assets, liabilities, income and expenses (including taxes) and after eliminating intra-group balances/ transactions.

Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements.

Name of entity	Net assets		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
<b>Holding Company</b>				
Globe Capital Market Limited	68.70	7,384,819,092	65.41	1,013,526,916
<b>Subsidiary Company</b>				
<b>Indian :-</b>				
Globe Commodities Limited	12.89	1,385,374,261	13.50	209,199,588
Globe Fincap Limited	12.75	1,370,206,431	17.95	278,116,959
Globe Derivatives and Securities Limited	4.50	484,292,412	5.01	77,698,026
Globe Capital (IFSC) Limited	1.24	(7,524,652)	(1.75)	(2,120,488)
<b>Foreign :-</b>				
Globe Comex International DMCC	(0.08)	132,948,330	(0.14)	(27,028,738)
<b>Total</b>	<b>100</b>	<b>10,326,683,593</b>	<b>100</b>	<b>1,549,392,262</b>

- The separate financial statements of foreign step-down subsidiary are prepared on the basis of generally accepted accounting principles, laws and regulations as prevalent in their respective country and such financial statements are considered for consolidation. The effect of adjustments on account of variance in accounting policies of such foreign step-down subsidiary vis-à-vis those of the Company, if material, are reflected in the Consolidated Financial Statements.



## Globe Capital Market Limited

### Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2017 (All amounts are in Indian Rupees)

- c) Subsidiaries are consolidated on the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal.
- d) The separate financial statements of the Company, its subsidiaries and its step-down subsidiary had been drawn for the period from 1 April 2016 to 31 March 2017.
- e) The Company's cost of its investment in its subsidiaries has been eliminated against the Company's portion of equity of each subsidiary as on the date of investment in that subsidiary. Similarly, in the case of step-down subsidiary, a subsidiary's cost of its investment in its subsidiaries has been eliminated against the subsidiary's portion of equity of each subsidiary as on the date of investment in that subsidiary. The excess/ short, if any, is recognised as 'Goodwill' or 'Capital reserve' as the case may be.
- f) Minority interest, if any, in the net profit of consolidated subsidiaries for the reporting period is identified and adjusted against the income of the group in order to arrive at the net income attributed to the owners of the Company; and the minority interest in the net assets of consolidated subsidiaries is identified and presented in the CFS separately from liabilities and the equity of the Company's shareholders. Minority interests in the net assets comprise of:
  - (i) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
  - (ii) the minorities' share of movements in equity since the date the parent-subsiidiary relationship came in existence.
- g) For the purpose of compilation of the CFS, the foreign currency assets, liabilities, income and expenditure are translated as per Accounting Standard (AS-11) on 'Accounting for the Effects of Changes in Foreign Exchange Rates', as notified under the Companies (Accounts) Rules, 2014. Exchange differences arising are recognised in the foreign currency translation reserve classified under 'Reserves and Surplus'.
- h) As far as possible, the Consolidated Financial Statements have been prepared using uniform accounting policies for comparable transactions and other events in similar circumstances and are presented in the same manner as the Company's standalone financial statements.

#### (v) Use of estimates

The preparation of Consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Adjustments as a result of differences between actual results and estimates are recognised prospectively.

#### (vi) Fixed assets (including intangible assets) and related depreciation/ amortisation

All fixed assets (including intangible assets) are stated at historical cost less any accumulated depreciation. Cost includes original cost of acquisition and incidental expenses related to such acquisition.



## Globe Capital Market Limited

### Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2017

(All amounts are in Indian Rupees)

Depreciation on fixed assets (except in case of foreign subsidiary) is provided on the straight-line basis over the estimated useful life of each asset as determined by the management. Depreciation is provided at the following rates which are in line with the corresponding rates prescribed in Schedule II of the Companies Act, 2013:

Assets category	Useful life of asset (Rate of depreciation)
Building	60 years (1.67%)
Furniture and fixtures	10 years (10%)
Office equipment	5 years (20%)
Computers	3 years (33.33%)
Computer server	6 years (16.67%)
Car	8 years (12.50%)

Amortisation of intangible assets (except in case of foreign subsidiary) comprising of computer software has been provided at straight-line basis over a period of five years, which in the opinion of the management represents the best estimate of useful life of these assets.

In case of foreign subsidiary:

- Depreciation on tangible fixed assets has been provided on straight line basis as under:-

- Globe Comex International DMCC : Office equipment : 6.7 years  
: Furniture and fittings : 6.7 years

The appropriateness of depreciation/ amortisation is reviewed by the management in each financial year.

#### (vii) Impairment of assets

The carrying amounts of assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. For assets that are not yet available for use, the recoverable is estimated at each Balance Sheet date. An impairment loss is recognized whenever the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the Consolidated Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.



**Globe Capital Market Limited**

**Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2017**

(All amounts are in Indian Rupees)

**(viii) Investments**

Investments are classified into non-current investments and current investments based on intent of management at the time of making the investment. Investments which are intended to be held for more than one year are classified as long term investments and those which are intended to be held for less than one year are classified as current investments. Non-current investments are valued at cost unless there is diminution, other than temporary, in their value. Diminution is considered other than temporary based on criteria that include the extent to which cost exceeds the market value, the duration of the market decline and the financial health of and specific prospects for the issuer. Diminution in value of long-term investments when considered to be other than temporary is fully provided for and reflected as a provision for diminution in investment. Current investments are valued at lower of cost and market value. Market value for quoted shares is determined after adjusting quoted price of shares for management estimate of impact of market parameters affecting the actual sale value e.g. volume of sale, frequency of sale etc.

**(ix) Inventories**

Inventories or stock-in-trade is valued at lower of cost and net realizable value on a category-wise basis (equity shares, preference shares, mutual funds, bonds, commodities etc.). Cost comprises expenditure incurred in the normal course of business in bringing such stock to their location and conditions and includes appropriate overheads. Stock-in-trade includes stock pledged, if any, against secured loans from banks and kept as margin/ securities with the stock exchanges and does not include stocks held on behalf of clients/ constituents. Cost is calculated on FIFO basis.

**(x) Revenue recognition**

- a) Revenue from broking activities is accounted for on an accrual basis on the trade date of transaction and includes related charges recovered from customers/ constituents.
- b) Income from trading in securities, commodities and derivatives and arbitrage comprises profit/ loss on sale of securities/ commodities held as stock-in-trade and profit/ loss on equity/ commodity and derivatives instruments. Profit/ loss on sale of securities/ commodities is determined based on the FIFO cost of the securities/ commodities sold and is accounted for on the trade date of transaction. Profit/ loss on equity/ commodity derivatives transactions is accounted as explained below:

**Equity index/ stock commodity and derivatives**

1. 'Initial margin' representing initial margin paid, and 'margin deposits', representing additional margin over and above initial margin, for entering into contracts for equity index/ stock and commodity futures, which are released on final settlement/ squaring-up of underlying contracts, are disclosed under 'short-term/ long-term loans and advances'.
2. Equity index/ stock and commodity futures are marked-to-market on a daily basis. Debit or credit balance disclosed under 'short term loans and advances' or 'current liabilities', respectively, in the 'Mark-to-Market Margin–Equity Index/ Stock and Commodity Futures Account', represents the net amount paid or received on the basis of movement in the prices of index/ stock futures till the Balance Sheet date.
3. As on the Balance Sheet date, profit/ loss on open positions in index/ stock and commodity futures are accounted for as follows:
  - Credit/ debit balance in the 'Mark-to-Market Margin–Equity Index/ Stock Futures Account', being anticipated profit/ loss, is adjusted in the Statement of Profit and Loss.



## Globe Capital Market Limited

### Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2017 (All amounts are in Indian Rupees)

- On final settlement or squaring-up of contracts for equity index/ stock futures, the profit or loss is calculated as the difference between settlement/ squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/ squared-up contract in 'Mark-to-Market Margin–Equity Index/ Stock Futures Account' is recognized in the Statement of Profit and Loss. When more than one contract in respect of the relevant series of equity index futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using FIFO method for calculating profit/loss on squaring-up.
- c) Dividend from investments is accounted for as income when the right to receive dividend is established.
- d) Interest on financing activities is recognised on accrual basis as per contractual terms and when there is no uncertainty in receiving the same. In terms of the RBI directions, interest income on Non-Performing Assets (NPA's), if any, is recognised only when it is actually realised.
- e) Interest on fixed deposit, depository income, portfolio management fees and other heads of income are accounted on accrual basis.
- f) In respect of other heads of income, the Company follows the practice of recognizing income on an accrual basis.

#### (xi) Foreign currency transactions

Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. Exchange difference arising due to the differences in the exchange rate between the transaction date and the date of settlement of any monetary items is recognised in the Statement of Profit and Loss.

Monetary assets and monetary liabilities denominated in foreign currency are translated at the exchange rate prevailing at the date of Balance Sheet and resultant gain/ loss, if any, is recorded as an income or expense in the period in which they arise.

Also refer to Note 1(iv)(g).

#### (xii) Current and deferred tax

Income-tax expense comprises current tax (i.e. amount of tax for the period/ year determined in accordance with the Income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period/ year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets.

Deferred tax assets are reviewed as at each Balance Sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.



**Globe Capital Market Limited**

**Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2017**

(All amounts are in Indian Rupees)

**(xiii) Employee benefits**

The Group's obligation towards various employee benefits is recognised as follows:

**Short-term employee benefits**

All employee benefits payable/ available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the consolidated Statement of Profit and Loss in the period/ year in which the employee renders the related service.

Employee entitlements to annual leave are recognised when they accrue to the eligible employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by the eligible employees up to the Balance Sheet date.

**Defined contribution plan**

Provident fund is a defined contribution plan. The contribution towards provident fund has been deposited with Regional Provident Fund Commissioner and is charged to the consolidated Statement of Profit and Loss.

**Defined benefit plan**

The Group pays gratuity to employees who retire or resign after a minimum period of five years of continuous service. The gratuity liability as at year end is determined by an independent actuary appointed by the Company. Actuarial valuation of gratuity liability is calculated based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the Projected Unit Credit Method.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

**(xiv) Leases**

Lease payments under operating lease are recognised as an expense in the consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

**(xv) Provision, contingent liabilities and contingent assets**

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the Consolidated Financial Statements. However, contingent asset are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

**(xvi) Earnings per share**

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive potential equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.





**Globe Capital Market Limited**

**Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2017**

**(All amounts are in Indian Rupees)**

**(xvii) Reserve Bank of India Master Directions**

Globe Fincap Limited, subsidiary of the Company, is registered with the Reserve Bank of India (RBI) as a Non-Banking Financial Company (NBFC) and thus complies with the master directions relating to income recognition, Accounting Standards, asset classification and the minimum provisioning for standard, sub-standard, and bad and doubtful debts, specified in the directions issued by the RBI in terms of Master Direction - Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 vide RBI/DNBR/2016-17/44 Master Direction DNBR.PD.007/03.10.119/2016-17 dated 1 September 2016 issued by the Reserve Bank of India and the provisions of the Companies Act, 2013, as applicable to it. Provision on standard assets has been provided at the rate of 0.25% on outstanding balance in accordance with the Master Direction.

**(xviii) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**(xix) Commercial paper**

In respect of commercial papers issued, the difference between the redemption value and acquisition value of commercial paper is amortized over the tenure of the instrument. The liability as at the Balance Sheet date in respect of such instruments is recognized at face value net of unamortized discount.



Globe Capital Market Limited  
 Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2017  
 (All amounts are in Indian Rupees)

2. Notes to the financial statements

	As at 31 March 2017	As at 31 March 2016
<b>2.01(a): Share capital</b>		
<b>Authorised</b>		
50,500,000 (previous year 50,500,000) equity shares of Rs. 10 each	505,000,000	505,000,000
500,000 (previous year 500,000) 10% non cumulative redeemable preference shares of Rs. 10 each.	5,000,000	5,000,000
<b>Issued, subscribed and fully paid-up:</b>		
29,112,500 (previous year 32,812,500) equity shares of Rs. 10 each *	291,125,000	328,125,000
	<b>291,125,000</b>	<b>328,125,000</b>

\* refer to Note 2.31(b)

2.01(b): Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

	As at 31 March 2017		As at 31 March 2016	
	Number	Amount	Number	Amount
At the beginning of the year	32,812,500	328,125,000	32,812,500	328,125,000
Add: Issued during the period	-	-	-	-
Less: Bought back during the year *	3,700,000	37,000,000	-	-
Outstanding at the end of the year	29,112,500	291,125,000	32,812,500	328,125,000

\* refer to Note 2.31(b)

2.01(c): Rights, preferences and restrictions attached to share capital

The Company has one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The paid-up equity shares of the Company rank *pari-passu* in all respects including dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.01(d): Shares held by shareholders holding more than 5% shares

Name of the shareholder	Number of shares as at 31 March 2017	Number of shares as at 31 March 2016
Ashok Kumar Agarwal	5,775,000	5,775,000
Yashpal Mendiratta	5,772,900	5,772,900
Alka Agarwal	2,100,000	2,100,000
Alka Mendiratta	2,100,000	2,100,000
Lakshya Impex Private Limited	2,625,000	2,625,000
Rolex Finvest Private Limited	2,625,000	2,625,000
Client Rosehill Limited (formerly known as CVCIGP II Client Rosehill Limited)	1,826,907	4,188,324
A to Z Consultants Private Limited	1,575,000	1,575,000
CVCIGP II Employee Rosehill Limited	1,023,218	2,345,805

2.01(e): Details of shares buy back (during 5 years immediately preceding 31 March 2017):

	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Equity shares buy back by capitalisation of securities premium account *	3,700,000	-	-	-	-

\* refer to Note 2.31(b)



Globe Capital Market Limited  
 Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2017  
 (All amounts are in Indian Rupees)

	As at 31 March 2017	As at 31 March 2016
<b>2.02: Reserves and surplus</b>		
<b>Capital redemption reserve</b>		
Opening balance	201,887,050	190,887,050
Add: Addition during the year *	48,600,000	11,000,000
	<u>250,487,050</u>	<u>201,887,050</u>
<b>Capital reserve on consolidation</b>	43,057,120	43,057,120
<b>Foreign currency translation reserve</b>		
Opening balance	55,013,917	45,195,259
(Less)/ add: (Utilised)/ addition during the year	(8,023,600)	9,818,658
	<u>46,990,317</u>	<u>55,013,917</u>
<b>Securities premium account</b>		
Opening balance	1,332,525,772	1,332,525,772
Less: Utilised during the year *	(1,117,400,000)	-
	<u>215,125,772</u>	<u>1,332,525,772</u>
<b>General reserve</b>		
Opening balance	2,650,000,000	2,450,000,000
Add: Addition during the year	250,000,000	200,000,000
	<u>2,900,000,000</u>	<u>2,650,000,000</u>
<b>Statutory reserve **</b>		
Opening balance	219,956,487	169,917,197
Add: Additions during the year	55,623,392	50,039,290
	<u>275,579,879</u>	<u>219,956,487</u>
<b>Surplus</b>		
Opening balance	5,496,118,242	4,931,384,116
Less: Transition adjustment on adoption of Accounting Standard-15 (revised)	(536,376)	-
Add: Profit for the year transferred from the Statement of Profit and Loss	1,550,972,262	825,773,416
	<u>7,046,554,128</u>	<u>5,757,157,532</u>
Less: Transfer to statutory reserve **	(55,623,392)	(50,039,290)
Less: Transfer to capital redemption reserve	(11,600,000)	(11,000,000)
Less: Transfer to general reserve	(250,000,000)	(200,000,000)
	<u>6,729,330,736</u>	<u>5,496,118,242</u>
	<u><b>10,460,570,874</b></u>	<u><b>9,998,558,588</b></u>

\* refer to Note 2.31(b)

\*\* Statutory reserve represents the reserve fund created under Section 45-IC of the Reserve Bank of India Act, 1934 (RBI Act). Under Section 45-IC, a company is required to transfer sum not less than twenty percent of its net profit every year to a reserve fund. Accordingly, the Company has transferred Rs. 55,623,392 (previous year Rs. 50,039,290), being twenty percent of net profits from its financial activities in its subsidiary (Globe Fincap Limited) for the financial year to the statutory reserve. The statutory reserve can be utilised for the purposes as specified by the Reserve Bank of India from time to time.

**2.03: Long-term borrowings (secured)**

Term loans *		
- from banks	700,000,000	-
- from others	385,750,000	59,000,000
	<u>1,085,750,000</u>	<u>59,000,000</u>

\* refer to Note 2.07 for current maturities and Note 2.30 for terms of borrowings.

**2.04: Long-term provisions**

Provision for gratuity #	35,291,696	29,472,229
Provision for standard assets	958,582	1,378,362
	<u>36,250,278</u>	<u>30,850,591</u>

# refer to note 2.25



**Globe Capital Market Limited**  
**Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2017**  
(All amounts are in Indian Rupees)

	As at 31 March 2017	As at 31 March 2016
<b>2.05: Short-term borrowings</b>		
<b>Secured</b>		
Loans repayable on demand from banks (overdrafts) #	2,105,972,959	750,972,579
Loans from other parties *	610,000,000	360,000,000
<b>Unsecured</b>		
Commercial paper ^	985,416,446	457,326,095
Loan from related parties **	500,000	-
From others **	122,937,200	148,513,000
	<b>3,824,826,605</b>	<b>1,716,811,674</b>

# out of the above, Rs. 1,105,716,852 (previous year Rs. 639,644,714) are secured against fixed deposits pledged, interest rate varies from 8% to 9.25% per annum (previous year 8% to 10.25% per annum) and Rs. Nil (previous year Rs. 111,327,865) are secured against shares pledged, interest rate Nil (previous year 8% to 10.25% per annum) and Rs. 1,000,256,107 (previous year Nil) are secured against all current assets (excluding specifically earmarked for others), interest rate 9.35% per annum (previous year Nil).

\* Loan amounting to Rs. 160,000,000 (Previous Year Rs. 110,000,000) is repayable on 14 September 2017 and Rs. 450,000,000 (Previous Year Rs. 250,000,000) is repayable on 7 February 2018 with a pre payment option (with an option to renew at the sole discretion of Lender). Interest rate on the loan varied from 9.25% to 10.50% per annum (Previous Year 10.75% to 11.35% per annum) and 9.00% to 10.25% per annum (Previous Year 10.25% to 11.60% per annum) respectively.

- Detail of repayment, interest rate and installment due for the year ended 31 March 2017:

Particulars	As at 31 March 2017	Date of redemption
8.00% HDFC Bank (INE081J14446)	250,000,000	26 May 2017
8.00% HDFC Bank (INE081J14461)	240,000,000	07 June 2017
8.00% HDFC Bank (INE081J14453)	260,000,000	13 June 2017
8.00% HDFC Bank (INE081J14479)	250,000,000	16 June 2017
<b>Total</b>	<b>1,000,000,000</b>	

Detail of repayment, interest rate and installment due for the year ended 31 March 2016:

Particulars	As at 31 March 2016	Date of redemption
9.10% HDFC Bank (INE081J14289)	260,000,000	11 April 2016
9.95% Escort Mutual Fund (INE081J14172)	100,000,000	11 April 2016
9.75% Escort Mutual Fund (INE013U14024)	100,000,000	08 June 2016
<b>Total</b>	<b>460,000,000</b>	

\*\* interest rate on the loan varies from 8% to 12.5% per annum (previous year 9% to 13% per annum)

**2.06: Trade payables**

Payables against goods and services		
(a) Total outstanding dues of micro enterprises and small enterprises	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	29,600,906	20,048,763
	<b>29,600,906</b>	<b>20,048,763</b>

**2.07: Other current liabilities**

Advance/ margin received from:		
- customers	6,501,738,770	3,898,060,788
- related parties	6,916,132	5,872,144
Payable to exchanges	243,441,538	1,254,447,669
Current maturities of long term debt	325,000,000	-
Payable to clients *	-	11,122,477
Salary, bonus and other employee payables	85,287,295	49,472,238
Interest accrued but not due on borrowings	2,891,586	2,306,449
Income received in advance	6,582,369	5,422,345
Book overdrafts	-	71,924,453
Withholding and other taxes payable	58,018,711	32,128,003
	<b>7,229,876,401</b>	<b>5,330,756,566</b>

\* As per accounting policy, the accounting is done on trade date basis. This figure represents net payable to clients, pertaining to trades which are settled in next financial year as per exchange mechanism.

**2.08: Short-term provisions**

Provision for gratuity #	5,720,157	6,524,175
Provision for income tax [net of income-tax recoverable Rs. 516,631,591 (previous year Rs. 169,345,396)]	60,988,409	39,989,014
Provision for standard assets	10,203,506	9,509,131
Provision for doubtful debts	21,600,000	-
Provision for special mention accounts (SMA)	-	4,112,737
Provision for non performing assets	550,275	4,375,025
	<b>99,062,347</b>	<b>64,510,082</b>

# refer to note 2.25



Globe Capital Market Limited  
 Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2017  
 (All amounts are in Indian Rupees)

2.09 Fixed assets

Particulars	Gross block			Accumulated depreciation/ amortisation			Net block		
	As at 1 April 2016	Additions during the year	Deletions during the year	As at 31 March 2017	As at 1 April 2016	Depreciation charge for the year	Deletions during the year	As at 31 March 2017	As at 31 March 2016
<b>Tangible assets</b>									
Office premises	3,728,725 (3,728,725)	11,478,000 -	- -	15,206,725 (3,728,725)	975,256 (912,572)	87,129 (62,684)	- -	14,144,340 (2,733,409)	2,753,469
Furniture and fittings	4,776,886 (5,592,271)	247,713 (181,944)	192,574 (997,329)	4,832,025 (4,776,886)	3,019,261 (3,501,856)	334,317 (351,500)	185,246 (834,095)	1,663,693 (1,737,625)	1,757,625
Computers	76,882,723 (74,026,873)	3,133,853 (5,169,003)	375,050 (2,313,153)	79,641,526 (76,882,723)	70,388,664 (68,810,111)	2,376,876 (3,876,679)	375,050 (2,298,126)	72,390,490 (70,388,664)	6,494,059
Office equipment	17,522,189 (18,080,892)	1,489,195 (1,351,164)	1,370,890 (1,909,867)	17,640,494 (17,522,189)	12,960,728 (12,330,427)	1,819,341 (2,210,993)	1,115,542 (1,580,692)	3,975,967 (4,561,461)	4,561,461
Vehicles	28,214,336 (24,156,302)	- (4,058,134)	700,920 -	27,513,416 (28,214,336)	7,972,706 (4,771,598)	3,585,963 (3,201,108)	700,920 -	16,655,667 (20,241,630)	20,241,630
<b>Total tangible assets (I)</b>	<b>131,124,859</b> <b>(125,584,963)</b>	<b>16,348,761</b> <b>(10,760,245)</b>	<b>2,639,434</b> <b>(5,220,349)</b>	<b>144,834,186</b> <b>(131,124,859)</b>	<b>95,316,615</b> <b>(90,326,564)</b>	<b>8,203,626</b> <b>(9,702,964)</b>	<b>2,376,758</b> <b>(4,712,913)</b>	<b>43,690,703</b> <b>(35,808,244)</b>	<b>35,808,244</b>
<b>Intangible assets</b>									
Software	6,356,775 (6,356,775)	- -	- -	6,356,775 (6,356,775)	6,356,775 (6,356,775)	- -	- -	- -	-
<b>Total tangible assets (II)</b>	<b>6,356,775</b> <b>(6,356,775)</b>	<b>-</b> <b>-</b>	<b>-</b> <b>-</b>	<b>6,356,775</b> <b>(6,356,775)</b>	<b>6,356,775</b> <b>(6,356,775)</b>	<b>-</b> <b>-</b>	<b>-</b> <b>-</b>	<b>-</b> <b>-</b>	<b>-</b>
<b>Total (I+II)</b>	<b>137,481,634</b> <b>(131,941,738)</b>	<b>16,348,761</b> <b>(10,760,245)</b>	<b>2,639,434</b> <b>(5,220,349)</b>	<b>151,190,961</b> <b>(137,481,634)</b>	<b>101,673,390</b> <b>(96,683,339)</b>	<b>8,203,626</b> <b>(9,702,964)</b>	<b>2,376,758</b> <b>(4,712,913)</b>	<b>43,690,703</b> <b>(35,808,244)</b>	<b>35,808,244</b>

Figures in brackets relates to previous year



JK

	As at 31 March 2017	As at 31 March 2016
<b>2.10: Non-current investment (non-trade, at cost)</b>		
<b>A. Investment in equity instruments</b>		
<b>Quoted</b>		
<b>Fully paid-up of face value Rs. 10 each</b>		
19,114 (previous year 19,114) shares of Kothari Products Limited	447,321	447,321
Nil (previous year 2,606) shares of Mawana Sugars Limited	-	52,102
121,261 (previous year 121,261) shares of Jayshree Chemicals Limited	1,818,914	1,818,914
Nil (previous year 27,197) shares of Oberoi Realty Limited	-	7,071,220
55,419 (previous year 108,600) shares of Murudeshwar Ceramics Limited	1,108,380	2,172,000
6,625 (previous year 6,625) shares of Narayana Hrudayalaya Limited	1,656,250	1,656,250
600 (previous year 1,200) shares of Thejo Engineering Limited	120,600	241,200
Nil (previous year 7,365) shares of Uttam Sugar Mills Limited	-	162,030
3,657,874 (previous year 1,828,937) shares of Rural Electrification Corporation Limited	417,362,525	417,362,342
135,900 (previous year Nil) shares of Goodyear India Limited *	65,261,803	-
385,000 (previous year Nil) shares of Deccan Gold Mine Limited *	13,192,295	-
150,294 (previous year Nil) shares of Bombay Burmah Trading Corporation *	29,560,166	-
13,769 (previous year Nil) shares of Sintex Limited	894,985	-
60,000 (previous year 92,342) shares of Elantas beck India Limited	34,963,200	53,809,530
Nil (previous year 36,431) shares of GMR Infrastructure Limited	-	546,465
57 (previous year Nil) shares of Karnataka Bank Limited	3,990	-
175 (previous year Nil) shares of Canara Bank	525,425	-
5,194 (previous year Nil) shares of The South Indian Bank Limited	36,225	-
<b>Fully paid-up of face value Rs. 5 each</b>		
60,000 (previous year 75,000) shares of Castrol India Limited	2,762,457	3,453,071
<b>Fully paid-up of face value Rs. 2 each</b>		
694 (previous year 694) shares of East India Hotels Limited	45,804	45,804
<b>Unquoted</b>		
<b>Equity shares, fully paid-up of face value Rs. 10 each</b>		
771 (previous year 771) shares of Bharat NRE Coke Limited	100,000	100,000
159 (previous year 159) shares of Sistema Shyam Teleservices Limited	1,590	1,590
31,338 (previous year Nil) shares of Tamilnadu Mercantile Bank Limited	4,065,812	-
<b>B. Investment in compulsory convertible debentures</b>		
<b>Quoted</b>		
<b>Debentures, fully paid-up of face value Rs. 1,000 each</b>		
225 (previous year Nil) debentures of Religare Finvest Limited *	223,443	-
10 (previous year Nil) debentures of Religare Finvest Limited *	10,000	-
<b>C. Investment in bonds</b>		
<b>Quoted</b>		
500 (previous year Nil) Sovereign Gold bonds	3,119,000	-
<b>D. Investment in Preference shares</b>		
<b>Quoted</b>		
<b>Preference shares, fully paid-up of face value Rs. 10 each</b>		
3,457,912 (previous year Nil) shares of JSW Steel Limited *	23,786,592	-
	<b>601,066,777</b>	<b>488,939,839</b>
Aggregate market value of quoted investments	1,060,199,142	467,527,663
Aggregate book value of quoted investments	596,899,375	488,838,249
Aggregate book value of unquoted investments	4,167,402	101,590

\* reclassified from inventory to investment, at cost on the date of transfer. No impact on the Profit and Loss of the year



**Globe Capital Market Limited**

**Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2017**  
(All amounts are in Indian Rupees)

	As at 31 March 2017	As at 31 March 2016
<b>2.11: Deferred tax assets</b>		
<b>Deferred tax assets</b>		
Provision on standard assets	3,862,975	3,767,944
Provision for non-performing assets	190,438	1,514,109
Provision for doubtful debts	63,892	3,436,699
Provision for special mention accounts (SMA)	-	1,423,336
Provision for gratuity	14,037,040	12,457,635
Disallowances on unrealised loss as per Income Computation and Disclosure Standards	2,236,431	1,657,597
Disallowances u/s 43B of the Income-tax Act, 1961	652,742	4,967,994
Difference between carrying cost of fixed assets as per Companies Act, 2013 and Income-tax Act, 1961	613,483	1,056,782
<b>Total (A)</b>	<b>21,657,001</b>	<b>30,282,097</b>
<b>Deferred tax liability</b>		
Difference between carrying cost of fixed assets as per Companies Act, 2013 and Income-tax Act, 1961	8,001,358	-
<b>Total (B)</b>	<b>8,001,358</b>	<b>-</b>
<b>Deferred tax assets (net)</b>	<b>13,655,643</b>	<b>30,282,096</b>
<b>Break-up of above:</b>		
Subsidiary with deferred tax liability (net)	1,037,642	-
Rest of the Companies in the group with deferred tax asset (net)	14,693,285	30,282,096
<b>2.12: Long-term loans and advances</b>		
<b>Secured, considered good</b>		
Loans - Standard assets (receivable under financing activities)	383,433,014	459,453,853
<b>Unsecured, considered good</b>		
Margins/ deposits with stock exchange and others	100,801,321	55,119,330
Income-taxes recoverable	66,835,536	150,353,936
[net of provision for tax Rs. 1,779,058,603 (previous year Rs. 2,126,345,000)]		
Capital advances	99,600,000	140,000,000
Other advances	6,277,700	5,260,598
	<b>656,947,571</b>	<b>810,187,717</b>
<b>2.13: Other non-current assets (Unsecured, considered good)</b>		
Bank deposits with maturity more than twelve months *		
- placed under lien with banks	691,544,799	2,631,305,184
- pledged with the clearing corporations and stock exchanges as margin	986,816,954	434,902,954
- deposits in hand	424,305,000	279,600,000
	2,102,666,753	3,345,808,138
Interest accrued but not due	2,881,160	694,253
	<b>2,105,547,913</b>	<b>3,346,502,391</b>
* refer to note 2.16		
<b>2.14: Inventories</b>		
(at lower of cost and net realizable value)		
Stock-in-trade of securities, commodities and bonds	2,850,806,777	2,579,243,316
	<b>2,850,806,777</b>	<b>2,579,243,316</b>



**Globe Capital Market Limited**  
**Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2017**  
**(All amounts are in Indian Rupees)**

	As at 31 March 2017	As at 31 March 2016
<b>2.15: Trade receivables</b>		
<b>Secured</b>		
a) Outstanding for more than six months from due date		
- Considered good	43,138,187	52,922,512
b) Other trade receivables		
- Considered good	1,477,005,709	1,055,120,760
<b>Unsecured</b>		
a) Outstanding for more than six months from due date		
- Considered good	1,257,583	20,696,390
- Considered doubtful	19,232,357	7,178,561
b) Other trade receivables		
- Considered good	116,813,306	35,834,787
- Considered doubtful	10,984	2,751,797
	<u>1,657,458,126</u>	<u>1,174,504,807</u>
Less: Provision for doubtful debts	19,243,341	9,930,359
	<u><b>1,638,214,785</b></u>	<u><b>1,164,574,448</b></u>
<b>2.16: Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash in hand	624,857	299,383
Balances with banks		
- in current accounts	699,520,347	184,937,460
- fixed deposits less than three months	52,500,000	62,500,000
	<u>752,645,204</u>	<u>247,736,843</u>
<b>Other bank balances</b>		
Bank deposits with maturity less than twelve months *		
- placed under lien with banks	4,792,153,735	2,316,102,997
- pledged with the clearing corporations and stock exchanges as margin	1,943,399,496	1,414,986,083
- deposits in hand	212,700,000	416,905,000
	<u>6,948,253,231</u>	<u>4,147,994,080</u>
Bank deposits with maturity more than twelve months *		
- placed under lien with banks	691,544,799	2,631,305,184
- pledged with the clearing corporations and stock exchanges as margin	986,816,954	434,902,954
- deposits in hand	424,305,000	279,600,000
	<u>2,102,666,753</u>	<u>3,345,808,138</u>
Total cash and bank balances	9,803,565,188	7,741,539,061
Less: bank deposits with maturity more than twelve months	2,102,666,753	3,345,808,138
	<u><b>7,700,898,435</b></u>	<u><b>4,395,730,923</b></u>
* excludes bank deposits given to exchanges by constituents, as margins, on their behalf amounting to Rs. 5,545,677,298 (previous year Rs. 5,011,598,172)		
<b>2.17: Short-term loans and advances</b>		
<b>Secured</b>		
Standard assets (receivable under financing activities)	3,938,720,175	2,828,928,514
Sub-standard assets (receivable under financing activities)	2,201,096	57,926,313
<b>Unsecured</b>		
Standard assets (receivable under financing activities)	142,682,192	340,782,024
Sub-standard assets (receivable under financing activities)	-	41,828,425
Margins- deposit with stock exchange and others	223,990,428	176,198,129
Receivable from exchanges	2,970,475,313	205,954,650
Other advances	93,652,074	97,791,179
	<u><b>7,371,725,728</b></u>	<u><b>3,749,409,234</b></u>
<b>2.18: Other current assets</b>		
Interest accrued but not due on fixed deposits	73,578,319	76,442,577
Receivable from clients *	-	871,534,179
Dividend receivable	929,760	6,300
	<u><b>74,508,079</b></u>	<u><b>947,983,056</b></u>

\* As per accounting policy, the accounting is done on trade date basis. This figure represents net receivable from clients, pertaining to trades which are settled in next financial year as per exchange mechanism.





Globe Capital Market Limited  
**Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2017**  
 (All amounts are in Indian Rupees)

	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>2.19: Revenue from operations</b>		
Brokerage earned (gross)	930,921,942	976,565,593
Income from securities and commodities trading	1,095,893,534	296,153,947
Income from depository and portfolio management services	24,303,069	26,521,164
Dividend earned	117,279,363	34,910,781
Income from interest on loans	726,930,971	575,825,049
<b>Other operating revenues</b>		
Interest earned	1,123,183,149	979,891,627
Gain on sale of investments (net)	87,776,746	8,387,983
Dividend income on long-term investments	37,636,342	39,778,344
Bad debts recovered	536,253	188,790
Provisions/ liabilities no longer required written-back	496,329	489,941
	<b><u>4,144,957,698</u></b>	<b><u>2,938,713,219</u></b>
<b>2.20: Other income</b>		
Interest on income-tax refund	20,026,593	-
Profit on sale of fixed assets (net)	14,093	66,113
Miscellaneous	1,120,239	1,417,834
	<b><u>21,160,925</u></b>	<b><u>1,483,947</u></b>
<b>2.21: Employee benefits expenses</b>		
Salaries and wages	490,459,286	388,545,087
Contribution to provident fund	8,139,278	6,990,021
Gratuity *	7,023,050	8,011,201
Staff welfare	5,142,888	5,733,697
	<b><u>510,764,502</u></b>	<b><u>409,280,006</u></b>

\* refer to Note 2.25



**Globe Capital Market Limited**  
**Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2017**  
(All amounts are in Indian Rupees)

	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>2.22: Other expenses</b>		
Communication	30,734,560	33,447,246
Travelling and conveyance	22,257,666	22,759,669
Printing and stationery	2,331,484	2,644,706
Rent #	46,058,381	47,274,790
Rates and taxes (net of recoveries)	5,475,730	1,510,796
Fees and subscription	2,522,961	2,941,903
Bad debts written-off		
Debts written-off during the year	78,147,772	46,534,050
Less: bad debts recovered	21,731,735	-
Less: provision made earlier, no longer required written back	<u>17,482,838</u>	<u>26,063,030</u>
Provision for doubtful debts	19,720,384	6,117,197
Provision for doubtful advances	21,600,000	-
Provision for standard assets	274,595	3,310,983
Provision for non-performing assets	550,275	4,375,025
Provision for special mention accounts (SMA)	-	4,112,737
Entertainment/ business promotion	3,005,282	425,334
Brokerage and commission	226,740,258	198,633,764
Electricity	12,343,473	13,712,961
Depository expenses	7,165,186	5,819,084
Warehouse charges	10,992,530	15,411,971
Exchange charges	104,187,618	239,663,396
Advertisement	1,994,057	2,356,133
Legal and professional *	27,864,619	23,344,799
Repairs and maintenance - others	10,604,413	11,131,070
Insurance	1,066,204	989,719
Computer and data processing charges	21,600,675	15,244,126
Donation	149,500	682,100
Contributions towards corporate social responsibility	29,050,000	28,280,000
Festivity expenses	2,529,284	2,692,209
Security transaction tax	90,244,248	110,673,844
Commodity transaction tax	689,558	393,472
Loss on exchange rate fluctuation	132,839	-
Miscellaneous	6,473,210	4,594,741
	<u><u>747,292,189</u></u>	<u><u>823,014,795</u></u>

# Represents rental expense incurred in respect of office space leased by the Group under operating lease arrangements. These leases are cancellable arrangements that extend for a maximum period of 3 years from their respective dates of inception.

\* Audit fees includes (excluding service tax):

As auditor	4,167,000	3,369,403
For tax audit	150,000	112,500
Other matters	1,885,000	1,400,000
Reimbursement of expenses	494,000	465,000
	<u><u>6,696,000</u></u>	<u><u>5,346,903</u></u>

**2.23: Finance costs**

Interest expense		
- on term loans from banks	66,981,169	-
- on bank overdrafts	100,124,039	98,340,281
- on others	254,924,888	232,988,639
Other borrowing costs		
- discount on commercial papers	85,199,751	79,266,915
- other	102,860,521	45,180,523
	<u><u>610,090,368</u></u>	<u><u>455,776,358</u></u>



**Globe Capital Market Limited**

**Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2017**  
(All amounts are in Indian Rupees)

**2.24 Contingent liabilities and commitments (to the extent not provided for)**

Particulars	As at 31 March 2017	As at 31 March 2016
<b>Contingent liabilities</b>		
Claims against the Group not acknowledged as debt (on account of arbitration filed by client)	49,749,089	45,155,089
On account of stamp duty	327,590,700	327,590,700
On account of VAT	155,453,445	153,536,257
<b>Capital commitments</b>		
On contracts remaining to be executed on capital account and not provided for	10,000,000	20,000,000

The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its Consolidated Financial Statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its consolidated financial results.

**2.25 Employee Benefits**

(i) The following table sets out the status of un-funded gratuity plan and the amounts recognised in the Company's Consolidated Financial Statements as at 31 March 2017 and 31 March 2016:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>a) Change in present value of obligation</b>		
Present value of obligation at the beginning of the year	36,560,380	30,812,104
Add: Current service cost	5,834,169	5,301,612
Interest cost	2,801,006	2,403,344
Benefit paid	(2,571,577)	(2,826,901)
Actuarial (gain)/ loss on obligation	(1,612,125)	306,245
<b>Present value of obligations at the end of the year</b>	<b>41,011,853</b>	<b>35,996,404</b>
<b>b) Amount recognised in the Consolidated Balance Sheet</b>		
Present value of obligations at the end of the year	41,011,853	35,996,404
<b>Net liability recognised in the Consolidated Balance Sheet #</b>	<b>41,011,853</b>	<b>35,996,404</b>
<b>c) Gratuity cost for the year</b>		
Current Service Cost	5,634,169	5,301,612
Interest Cost	2,801,006	2,403,344
Net Actuarial (gain)/ loss recognised in the year	(1,612,125)	306,245
<b>Net gratuity cost recognised in the Consolidated Statement of Profit and Loss</b>	<b>7,023,050</b>	<b>8,011,201</b>
<b>d) Assumptions used for actuarial valuation</b>		
Discount rate	6.80%	7.70%
Rate of increase in compensation	5.00%	5.00%
Withdrawal rate	10.00%	10.00%
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

# includes current portion Rs. 5,720,157 (previous year Rs. 6,524,175) and non-current portion Rs. 35,291,696 (previous year Rs. 29,472,229).



**Globe Capital Market Limited**

Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2017

(All amounts are in Indian Rupees)

**(ii) Experience adjustments**

	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Present value of obligation	41,011,853	34,211,204	29,440,170	22,109,136	21,229,802
Surplus/ (Deficit)	(41,011,853)	(34,211,204)	(29,440,170)	(22,109,136)	(21,229,802)
Experience adjustments on plan liabilities	(955,578)	(678,384)	(72,245)	2,481,651	1,617,870

**Explanations to assumptions used for actuarial valuation for Gratuity**

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The discount rate has been chosen by reference to market yields on government bonds as at the date of the valuation with reference to the term that matched the liability.

**Defined contribution plan**

A sum of Rs. 8,209,191 (previous year Rs. 6,990,021) on account of provident fund is recognized as an expense and included in 'contribution to provident fund' in the Statement of Profit and Loss.

**2.26 Related party transactions****a) List of the related parties:****Key management personnel:**

Yashpal Mendiratta *	Managing director
Ashok Kumar Agarwal *	Whole-time director
Alka Mendiratta *	Whole-time director, Globe Commodities Limited
Alka Agarwal *	Whole-time director, Globe Commodities Limited
Sahil Mendiratta *	Whole-time director, Globe Fincap Limited
Arpit Agarwal *	Whole-time director, Globe Fincap Limited
Ankit Agarwal *	Whole-time director, Globe Commodities Limited
Ankit Surana	Director, Globe Comex International DMCC
Harshita Agarwal	Whole-time Director, Globe Derivatives and Securities Limited
Alka Agarwal	Director, Globe Derivatives and Securities Limited
Alka Mendiratta	Director, Globe Derivatives and Securities Limited
Nidhi Aggarwal *	Whole time Director, Globe Derivatives and Securities Limited
Sahil Mendiratta *	Director, Globe Capital (IFSC) Limited
Arpit Agarwal *	Director, Globe Capital (IFSC) Limited
Ankit Agarwal *	Director, Globe Capital (IFSC) Limited
Ankit Agarwal	Director, Globe Derivatives and Securities Limited (Resigned from 31 December 2016)
Amit Bansal	Director, Globe Commodities Limited (resigned w.e.f. 31 December 2016)

**Relatives of Key Management personnel**

Mr. Puneet Aggarwal  
Ms. Prishaa Aggarwal



**Globe Capital Market Limited**

Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2017

(All amounts are in Indian Rupees)

**Enterprises in which key management personnel and/or their relatives have significant influence:**

A To Z Venture Capital Limited  
Rolex Finvest Private Limited \*  
A To Z Consultants Private Limited \*  
M Agarwal Stock Brokers Private Limited  
Lakshya Impex Private Limited \*  
Yashpal Mendiratta (HUF) \*  
Ashok Kumar Agarwal (HUF) \*  
Bolt Synthetic Private Limited  
Globe Capital Foundation  
A M Share Brokers Private Limited  
Price Ponder Private Limited

\* the above parties are also shareholders of the Company

**b) Transactions with related parties:**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Short-term loan received</b>		
Lakshya Impex Private Limited	62,241,405	101,130,000
Rolex Finvest Private Limited	-	44,900,000
Bolt Synthetic Private Limited	56,100,000	16,200,000
A to Z Consultants Private Limited	-	2,400,000
A to Z Venture Capital Limited	-	900,000
<b>Short-term loan repaid</b>		
Rolex Finvest Private Limited	-	64,900,000
Bolt Synthetic Private Limited	55,600,000	16,200,000
Lakshya Impex Private Limited	62,241,405	101,130,000
A to Z Consultants Private Limited	-	2,400,000
A to Z Venture Capital Limited	-	900,000
<b>Brokerage earned</b>		
Rolex Finvest Private Limited	449	172
Lakshya Impex Private Limited	8,681	104
M Agarwal Stock Brokers Private Limited	46,064	46,255
A to Z Venture Capital Limited	9,693	584
Bolt Synthetic Private Limited	852	702
A M Share Brokers Private Limited	299	592
A to Z Consultants Private Limited	43,931	900
<b>Reimbursement of expenses</b>		
M Agarwal Stock Brokers Private Limited	104,388	17,153
Globe Capital Foundation	4,174	3,376
Price Ponder Private Limited	30,249	57,381
<b>Income from portfolio management services</b>		
M Agarwal Stock Brokers Private Limited	277,212	140,746
Ankit Agarwal	41,295	6,797



**Globe Capital Market Limited****Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2017****(All amounts are in Indian Rupees)**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Income from depository services</b>		
Rolex Finvest Private Limited	4,278	4,054
Lakshya Impex Private Limited	1,220	891
M Agarwal Stock Brokers Private Limited	7,072	2,667
Bolt Synthetic Private Limited	2,438	2,000
A M Share Brokers Private Limited	1,810	1,746
Others	7,183	3,000
<b>Remuneration to directors</b>		
Ashok Kumar Agarwal #	62,777,893	13,879,392
Yashpal Mendiratta #	62,777,893	13,879,392
Alka Agarwal	480,000	480,000
Alka Mendiratta	480,000	480,000
Nidhi Aggarwal	3,000,000	3,000,000
Sahil Mendiratta #	3,028,800	3,028,800
Arpit Agarwal #	3,028,800	3,028,800
Ankit Agarwal	3,000,000	3,000,000
Harshita Agarwal	900,000	-
<b>Expenses (Rent)</b>		
Ashok Kumar Agarwal	135,000	135,000
Yashpal Mendiratta	135,000	135,000
Alka Agarwal	450,000	450,000
Alka Mendiratta	450,000	450,000
Ashok Kumar Agarwal (HUF)	745,800	745,800
Yashpal Mendiratta (HUF)	745,800	745,800
A to Z Venture Capital Limited	876,120	876,120
A to Z Consultants Private Limited	588,000	588,000
Lakshya Impex Private Limited	866,160	866,160
<b>Contribution towards corporate social responsibility</b>		
Globe Capital Foundation (refer to Note 2.28)	27,050,000	25,780,000
<b>Interest Paid</b>		
Lakshya Impex Private Limited	292,787	781,797
Rolex Finvest Private Limited	-	1,038,139
Bolt Synthetic Pvt. Limited	1,150,208	358,374
M Agarwal Stock Brokers Private Limited	849,349	2,452,382
A to Z Consultants Private Limited	-	160,380
A to Z Venture Capital Limited	-	79,223
<b>Purchase of Share</b>		
M. Agarwal Stock Brokers Private Limited	13,167	-
A M Share Brokers Private Limited	8,011	-



**Globe Capital Market Limited****Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2017**  
(All amounts are in Indian Rupees)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Balances outstanding as at the year end</b>		
<b>Advance/ margin received from related parties</b>		
M Agarwal Stock Brokers Private Limited	745,198	784,609
A to Z Consultants Private Limited	886,278	2,900,000
A to Z Venture Capital Limited	362,724	1,349,851
Bolt Synthetics Private Limited	1,099,647	299,404
Rolex Finvest Private Limited	1,742,957	538,280
Ashok Kumar Agarwal	2,079,328	-
<b>Advance/ margin recoverable from related parties</b>		
A to Z Venture Capital Limited	4,403	-
Lakshya Impex Private Limited	44	-
<b>Short-term borrowings</b>		
Bolt Synthetics Private Limited	500,000	-
<b>Salary, bonus and other payables</b>		
Ashok Kumar Agarwal	18,575,499	2,489,753
Yashpal Mendiratta	18,575,499	2,419,753
Alka Agarwal	-	19,587
Alka Mendiratta	-	19,904
Nidhi Aggarwal	139,161	49,204
Sahil Mendiratta	163,080	164,735
Arpit Agarwal	163,080	164,735
Ankit Agarwal	81,580	139,735
Harshita Agarwal	110,283	-

# includes value of perquisites

**Notes:**

- 1 Receivable and payable balances exclude the amount of transactions for the last day trading (except in the case of subsidiaries), if any, settled subsequent to year end.
- 2 Balances outstanding as at the year-end being advance/ margin received from related parties are presented as net-off debits and credits during the year, being voluminous in nature and in the normal course of business.

**2.27 Segment Reporting****a. Business Segment**

- i. The business segment has been considered as the primary segment.
- ii. The Group's primary business segments are reflected based on principal business activities, the nature of product or service, the risks and returns, the organisation structure and the internal financial reporting system.



**Globe Capital Market Limited**

**Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2017**

(All amounts are in Indian Rupees)

iii. The Group's business comprises of dealing in shares, commodities, securities and derivatives either on its own or on behalf of its constituents, financing activities and other related ancillary services. The entire operations are governed by the same set of risk and returns, hence, there is no reportable business segment, however pursuant to Clause 31 of Accounting Standard 17 on Segment Reporting as prescribed by the Companies (Accounting Standards) Rules, 2006, current year disclosures have been made accordingly and therefore reportable segment for the current year is as under:

- a) Capital markets: comprises brokerage income earned on secondary market transactions done on behalf of clients, services rendered as depository participant and proprietary trading in securities, commodities and derivatives.
- b) Financing activities: comprises the financing activities carried out by the NBFC subsidiary – Globe Fincap Limited.

**b. Geographical Segment**

The geographical segments have been identified by the location of the customers and business operations of the Group and the same have been considered as secondary segments viz. within India and Outside India.

**a) Primary Segment information (by business segments)**

Particulars	Capital market	Financing activities	Unallocated others	Total
i) Segment revenue	3,439,187,652 (2,363,460,336)	726,930,971 (576,736,830)	- (-)	4,166,118,623 (2,940,197,166)
ii) Segment results	2,089,619,578 (1,071,563,049)	56,5770,258 (469,619,219)	- (-)	2,655,389,836 (1,541,182,268)
Less: Interest expenses				321,867,780 (256,481,074)
Less: Unallocated expenditure (net of unallocated income)				43,754,118 (42,278,151)
Add: Exceptional item				- (-)
Less: Taxation #				740,375,676 (416,649,627)
Total profit after tax				1,549,392,262 (825,773,416)
iii) Segment assets	18,257,061,793 (13,448,760,751)	4,467,036,477 (3,728,919,130)	319,308,497 (340,699,287)	23,043,406,768 (17,518,379,168)
iv) Segment liabilities	10,681,426,283 (6,107,077,682)	1,563,830,473 (1,085,142,175)	61,147,424 (118,904,027)	12,306,404,180 (7,221,977,676)
v) Capital expenditure	16,200,961 (10,489,547)	- (-)	147,800 (270,700)	16,348,761 (10,760,247)





**Globe Capital Market Limited**

**Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2017**

(All amounts are in Indian Rupees)

Particulars	Capital market	Financing activities	Unallocated others	Total
vi) Depreciation	7,217,679 (8,639,569)	- (-)	985,947 (1,063,395)	8,203,626 (9,702,964)
vii) Non cash expenses other than depreciation				
- Bad debts written off (net of provision written back)	359,672 (-)	38,573,527 (20,471,020)	- (-)	38,933,199 (20,471,020)
- Provision for doubtful debts	19,720,384 (6,117,197)	- (-)	- (-)	19,720,384 (6,117,197)
- Provision for doubtful advance	21,600,000 (-)	- (-)	- (-)	21,600,000 (-)
- Provision for standard assets	-	274,595	-	274,595
- Provision for non-performing assets	- (-)	(3,310,983) (4,375,025)	(-)	(3,310,983) (4,375,025)
- Provision for SMA	-	-	-	-
- Provision for gratuity	(-) 7,023,050 (8,011,201)	(4,112,737) -	(-) -	(4,112,737) 7,023,050 (8,011,201)

# includes current income-tax, deferred tax charge/ credit and prior year tax adjustment.

**b) Secondary segment information (by Geographical segments)**

Revenue, assets and addition to tangible and intangible fixed assets by geographical area	Revenue	Assets	Addition to fixed assets and tangible
Within india	4,162,655,793 (2,933,441,640)	22,816,409,789 (17,327,637,437)	16,348,761 (10,760,247)
Outside India	3,462,830 (6,755,525)	226,996,979 (190,741,730)	- (-)
<b>Total</b>	<b>4,166,118,623</b> (2,940,197,166)	<b>23,043,406,768</b> (17,518,379,168)	<b>16,348,761</b> (10,760,247)

Note: figure in brackets [in a) and b) above] represents previous year figures

2.28 Pursuant to Section 135 of the Companies Act, 2013 the Company has incurred expenditure (paid) in respect of corporate social responsibility as follows:

a) Gross amount required to be spent by the Company during the year: Rs. 28,984,576.



**Globe Capital Market Limited**

**Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2017**  
(All amounts are in Indian Rupees)

b) Amount Spent during the year on:

(Amount in Rs.)

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction/Acquisition of Assets	- (-)	- (-)	- (-)
(ii) On purpose other than (i) above	29,050,000 (28,280,000)	- (-)	29,050,000 (28,280,000)
<b>Total</b>	<b>29,050,000</b> <b>(28,280,000)</b>		<b>29,050,000</b> <b>(28,280,000)</b>

(Figures in bracket represents previous year numbers)

c) During the current year, the Company has made contributions amounting to Rs 27,050,000 (previous year Rs. 25,780,000) to a Public Charitable Trust 'Globe Capital Foundation' (a related party as per AS-18).

**2.29 Basic and diluted earnings per share**

(a) Basic and diluted earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year:

Description	For the year ended 31 March 2017	For the year ended 31 March 2016
Net profit after tax	1,549,392,262	825,773,416
<b>Net profits attributable to equity shareholders (A)</b>	<b>1,549,392,262</b>	<b>825,773,416</b>
<b>Equity shares outstanding during the year for calculation of basic and diluted earnings per share (B)</b>	<b>30,602,637</b>	<b>32,812,500</b>
Basic and diluted earnings per equity share of the face value of Rs. 10 each (C = A/B)	50.63	25.17

(b) Reconciliation of weighted average number of equity shares for the year ended 31 March 2017:

Description	Number of shares	Weighted average number of shares
Equity shares of face value of Rs. 10 per share from:		
- 1 April 2016 to 31 March 2017	32,812,500	32,812,500
Less: shares buy back		
- 26 August 2016 to 31 March 2017	3,700,000	2,209,863
<b>Total</b>	<b>29,112,500</b>	<b>30,602,637</b>

(c) Reconciliation of weighted average number of equity shares for the year ended 31 March 2016:

Description	Number of shares	Weighted average number of shares
Equity shares of face value of Rs. 10 per share from:		
- 1 April 2015 to 31 March 2016	32,812,500	32,812,500
<b>Total</b>	<b>32,812,500</b>	<b>32,812,500</b>



2.30 Terms of the borrowings

ICICI bank term loan is secured by first pari-passu charge over receivables of the Company, also pledged by part shares held by the Company. Kotak Mahindra Investments Limited term loans is secured by pledge of part of total share capital of the Company, also personal guarantee has been given by two directors.

Following are the details of certain pertinent terms and conditions of the borrowings for the year ended 31 March 2017:

Funder	Facility and rate of interest	Amount outstanding		Repayment terms			Interest payment terms
		As at 31 March 2017		Installment	Periodicity	Start date	Periodicity
		Long term maturity	Current maturity				
ICICI Bank	Term loan 10%	700,000,000	200,000,000	20	Quarterly	31 Dec 2016	Monthly
Kotak Mahindra Investments Limited	Term loan 9.25%	42,000,000	-	60	Monthly	3 Jun 2014	Monthly
Kotak Mahindra Investments Limited	Term loan 9.25%	343,750,000	125,000,000	16	Quarterly	4 Feb 2017	Monthly
<b>Total</b>		<b>1,085,750,000</b>	<b>325,000,000</b>				

Following are the details of certain pertinent terms and conditions of the borrowings for the year ended 31 March 2016:

Funder	Facility and rate of interest	Amount outstanding		Repayment terms			Interest payment terms
		As at 31 March 2016		Installment	Periodicity	Start date	Periodicity
		Long term maturity	Current maturity				
Kotak Mahindra Investments Limited	Term loan 10.25%	59,000,000	-	60	Monthly	3 Jun 2014	Monthly
<b>Total</b>		<b>59,000,000</b>	<b>-</b>				

2.31 (a) The Board of Directors had earlier decided to delist the Company's equity shares from the Delhi Stock Exchange ('DSE'). Pursuant to SEBI pronouncement on 'Non-Operational Stock Exchanges', DSE vide letter dated 29 September 2014 had sought Company's decision out of the options available. After evaluating the various options available and on receipt of a letter from DSE, the Company has forwarded them the information as was required for onward submission to the Dissemination Board of BSE. During the previous year, DSE vide its letter dated 18 May 2015 informed the Company that it has been transferred to the Dissemination Board of the Bombay Stock Exchange. Further, it also mentioned that the Company is not required to comply with listing agreement made with DSE and not required to pay the listing fee from 1 April 2015 onwards. The Company has informed SEBI that in its board meeting held on 29 October 2015, the Board has decided not to go for direct listing on any other exchange, and to provide the investors/ public shareholders exit opportunity as mutually agreed in accordance with applicable laws.



**Globe Capital Market Limited****Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2017**

(All amounts are in Indian Rupees)

(b) During the current year, the Board of Directors in their meeting held on 31 May 2016 had recommended to buy back 3,700,000 equity shares at the rate of Rs. 302/- per share from the public shareholders on proportionate basis and the same had been approved by the share holders in their meeting on 27 June 2016. Consequently, the relevant shareholders had tendered 3,700,000 equity shares through tender offer for Buy Back and after paying off the consideration of Rs. 1,117,400,000 to the shareholders, the Company extinguished the tendered equity share capital.

**2.32 Disclosure on specified bank notes (SBNs) (Domestic Subsidiaries)**

Disclosure in respect of the specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 31 March 2017 on the details of SBN held and transacted during the period from 08 November 2016 to 30 December 2016 is tabulated below:

Particulars	SBNs *	Other Denomination Notes	Total
Closing cash in hand as on 8 November 2016	565,000	49,129	614,129
Add: Permitted receipts	-	740,000	740,000
Less: Permitted payments	-	(171,439)	(171,439)
Less: Amount deposited in Banks	(565,000)	-	(565,000)
<b>Closing cash in hand as on 30 December 2016</b>	<b>-</b>	<b>617,690</b>	<b>617,690</b>

\* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated 08 November 2016.

As per our report of even date attached.

For **BSR & Co. LLP**  
Chartered Accountants  
FRN: 101248W/-100022



**Jiten Chopra**  
Partner  
Membership No.: 092894



Place: Gurgaon  
Date: 28 April 2017

For **P.C. Bindal & Co.**  
Chartered Accountants  
FRN: 003824N



**K. C. Gupta**  
Partner  
Membership No.: 088638



Place: New Delhi  
Date: 28 April 2017

For and on behalf of Board of Directors of  
**Globe Capital Market Limited**



**Yashpal Mendiratta**  
Managing Director  
DIN: 00004185



**Dhiraj Jaiswal**  
Company Secretary

Place: New Delhi  
Date: 28 April 2017



**Ashok Kumar Agarwal**  
Whole-time Director  
DIN: 00003988



**Amit Kumar Singhal**  
Chief Financial Officer