

Globe Capital Market Limited

**Consolidated Report for the year ended
31 March 2018**

**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 2018, 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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 are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group to cease to continue as a going concern.

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 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other matter

The results of all (previous year three) subsidiaries whose financial statements reflect total assets of Rs. 10,509,932,716 (previous year Rs. 6,268,386,199) as at 31 March 2018, total revenue (including other income) of Rs. 1,502,229,813 (previous year Rs. 873,248,546), and cash outflows of Rs. 138,300,342 (previous year inflows Rs. 42,709,299) 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. 145,102,692 (previous year Rs. 149,244,322) as at 31 March 2018, total revenue (including other income) of Rs. 2,049,990 (previous year Rs. 3,462,830), and net cash inflow amounting to Rs. 85,491,834 (previous year outflow of Rs. 44,345,388) 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 2018 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 2018 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 with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (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 disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018.

For BSR & Co. LLP

Chartered Accountants

Firm Registration No.: 101248W/W-100022



Jiten Chopra

Partner

Membership No.: 092894

Place: Gurugram

Date: 28 April 2018



For P.C. Bindal & Co.

Chartered Accountants

Firm Registration No.: 003824N



K. C. Gupta

Partner

Membership No.: 088638

Place: New Delhi

Date: 28 April 2018



Annexure - A 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 2018, we have audited the internal financial controls with reference to financial statements 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 with reference to financial statements criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls with reference to financial statements (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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements

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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements 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 with reference to financial statements were operating effectively as at 31 March 2018, 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.



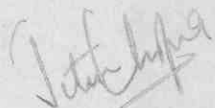
Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to a all subsidiaries company which are incorporated in India. The report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements 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.: I01248W/W-100022



Jiten Chopra

Partner

Membership No.: 092894



Place: Gurugram

Date: 28 April 2018

For P.C. Bindal & Co.

Chartered Accountants

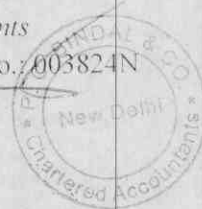
Firm Registration No.: 003824N



K. C. Gupta

Partner

Membership No.: 088638



Place: New Delhi

Date: 28 April 2018

Globe Capital Market Limited
Consolidated Balance Sheet as at 31 March 2018
(All amounts are in Indian rupees)

	Note	As at 31 March 2018	As at 31 March 2017
Equity and liabilities			
Shareholders' funds			
Share capital	2.01	262,500,000	291,125,000
Reserves and surplus	2.02	11,009,143,492	10,460,570,874
Minority interest			
Non-current liabilities			
Long-term borrowings	2.03	1,684,385,898	1,085,750,000
Long-term provisions	2.04	46,986,381	36,250,278
Deferred tax liabilities	2.11		1,037,642
Current liabilities			
Short-term borrowings	2.05	4,127,128,828	3,824,826,605
Trade payables	2.06		
(a) Total outstanding dues of micro enterprises and small enterprises			29,600,906
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		39,659,567	7,229,876,401
Other current liabilities	2.07	8,578,541,550	
Short-term provisions	2.08	115,626,814	99,062,347
		25,863,972,530	23,058,100,053
Assets			
Non-current assets			
Fixed assets	2.09		
Property, plant and equipment		65,776,869	43,690,703
Intangible assets			
Non-current investments	2.10	445,647,345	601,066,777
Deferred tax assets	2.11	45,682,562	14,693,285
Long-term loans and advances	2.12	662,433,570	656,947,571
Other non-current assets	2.13	2,230,547,101	2,105,547,913
Current assets			
Inventories	2.14	2,389,345,994	2,850,806,777
Trade receivables	2.15	3,314,125,440	1,638,214,785
Cash and bank balances	2.16	10,358,164,509	7,700,898,435
Short-term loans and advances	2.17	5,526,953,089	7,371,725,728
Other current assets	2.18	825,296,050	74,508,079
		25,863,972,530	23,058,100,053

Significant accounting policies and notes to the financial statements 1, 2

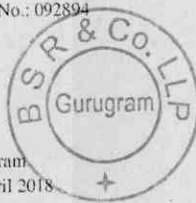
The accompanying notes are an integral part of the financial statements

As per our report of even date attached.

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

Jiten Chopra
Partner
Membership No.: 092894

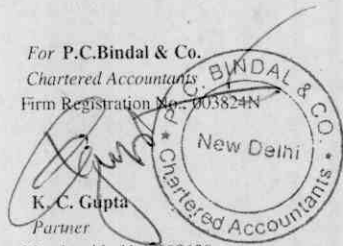
Place: Gurugram
Date: 28 April 2018



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

K. C. Gupta
Partner
Membership No.: 088638

Place: New Delhi
Date: 28 April 2018



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 2018

Ashok Kumar Agarwal
Whole-time Director
DIN: 00003988

Amir Kumar Singhal
Chief Financial Officer

Globe Capital Market Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2018
 (All amounts are in Indian rupees)

	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue			
Revenue from operations	2.19	4,513,962,595	4,144,957,698
Other income	2.20	392,405	21,160,925
Total revenue		4,514,355,000	4,166,118,623
Expenses			
Employee benefits expenses	2.21	570,055,486	510,764,502
Other expenses	2.22	884,464,687	747,292,189
Finance cost	2.23	812,176,409	610,090,368
Depreciation and amortisation	2.09	8,867,872	8,203,626
Total expenses		2,275,564,454	1,876,350,685
Profit before tax		2,238,790,546	2,289,767,938
Tax expense			
Current income tax		646,970,000	724,610,000
Deferred tax charge/ (credit)		(32,026,920)	16,626,454
Prior year tax adjustment		784,278	(2,440,778)
Profit after tax for the year		1,623,063,188	1,550,972,262
Earnings per equity share (par value Rs. 10 per share)			
Basic and diluted earnings per share (Rs.)	2.29	58.64	50.68
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: Gurugram
 Date: 28 April 2018

For P.C.Bindal & Co.
 Chartered Accountants
 Firm Registration No.: 005824M

K. C. Gupta
 Partner
 Membership No.: 088638

Place: New Delhi
 Date: 28 April 2018

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 2018

Ashok Kumar Agarwal
 Whole-time Director
 DIN: 00003988

Anil Kumar Singhal
 Chief Financial Officer

Globe Capital Market Limited
Consolidated Cash Flow Statement for the year ended 31 March 2018
 (All amounts are in Indian rupees)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash flow from operating activities		
Profit before tax	2,238,790,546	2,297,167,978
Add:		
Depreciation and amortisation	8,867,872	6,203,620
Bad debts written-off (net of provision no longer required written back)	30,166,557	9,713,199
Provision for doubtful debts	53,007,808	4,720,388
Provision for doubtful advances	—	1,400,000
Provision for standard assets	9,710,437	2,74,595
Provision for non-performing assets	10,026,399	550,235
Processing fees on term-loan	24,250,900	18,187,500
Discount on issuance of commercial paper (refer note 3 below)	96,646,934	63,195,251
Interest expense on term loans and bank overdrafts (refer note 3 below)	296,978,169	17,115,200
Less:		
Profit on sale of fixed assets (net)	(119,233)	(14,893)
Gain on sale of non-trade investments (net of income-tax refund)	(157,481,523)	17,736,746
Income on income-tax refund	—	30,076,393
Bad debts recovered	(24,867)	156,253
Dividend earned from non-trade investments	(28,222,737)	137,636,242
Provisions no longer required written-back	(491,633)	(496,329)
Operating profit before working capital changes	2,582,106,229	2,529,256,120
Adjustments for:		
(Increase)/decrease in inventories	461,460,783	(291,567,663)
(Increase)/decrease in trade receivables	(1,729,585,320)	(40,243,210)
(Increase)/decrease in loans and advances (refer note 4 below)	1,823,297,195	(5,54,781,656)
(Increase)/decrease in other current assets (refer note 4 below)	(750,787,972)	173,474,777
(Increase)/decrease in other bank balances (refer note 2 below)	(2,430,661,006)	(1,457,117,766)
- Increase/ (decrease) in trade payables	10,053,964	9,558,514
Increase/ (decrease) in liabilities and provisions (refer note 3 below)	1,168,986,273	(578,590,147)
Cash generated from operations	1,134,970,146	(932,868,538)
Income taxes paid (net of refund)	(681,126,917)	(617,651,225)
Interest on income-tax refund	—	30,026,593
Net cash (used in)/ generated from operating activities (A)	453,843,229	(1,530,493,170)
Cash flow from investing activities		
Purchase of fixed assets	(31,152,159)	(16,348,761)
Proceeds from sale of fixed assets	263,184	276,769
Purchase of investments	(1,803,373)	(93,402,670)
Proceeds from disposal of investments	314,404,129	169,052,481
Dividend on long term investments	28,222,737	87,636,342
Net cash (used in)/ generated from investing activities (B)	310,234,518	(2,785,839)
Cash flow from financing activities		
Interest paid on term loans and overdrafts	(296,297,721)	(166,520,071)
Proceeds/ (repayment) loan from related parties (refer to Note 5 below)	—	500,000
Proceeds from term loans (net of processing fees)	2,097,429,883	1,468,898,288
Repayment of term loans	(2,357,550,586)	(61,535,788)
Discount on issuance of commercial paper	(96,646,934)	(85,199,751)
Proceeds from commercial paper	5,808,361,551	4,354,093,023
Repayment of commercial paper	(5,850,000,000)	(9,926,102,670)
Payment for equity shares buyback	(1,104,088,142)	(1,117,400,000)
Proceeds/ (repayment) from		
- bank overdrafts (net) (refer to Note 5 below)	253,775,872	1,355,000,380
- others (net) (refer to Note 5 below)	223,150,326	224,424,200
Net cash generated/ (used in) financing activities (C)	(421,665,751)	2,046,257,609
Increase in cash or cash equivalents (A+B+C)	342,411,996	512,978,600
Add: Adjustment on consolidation of subsidiaries/ step-subidiaries	865,440	(8,070,239)
Net increase in cash or cash equivalents	147,277,436	504,908,361
Cash and cash equivalent at the beginning of the year (refer note 2.16)	752,645,204	247,736,843
Cash and cash equivalent at the end of the year (refer note 2.16)	1,095,922,640	752,645,204

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

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

For **P. C. Bindal & Co.**
 Chartered Accountants
 Firm Registration No.: 100303

Jiten Chopra
 Partner
 Membership No.: 092894

K. C. Gupta
 Partner
 Membership No.: 088638

Place: Gurugram
 Date: 28 April 2018

Place: New Delhi
 Date: 28 April 2018

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

Yashpal Mendiratta
 Managing Director
 DIN: 00004185

Dhiraj Biswal
 Company Secretary

Place: New Delhi
 Date: 28 April 2018

Ashok Kumar Agarwal
 Whole-time Director
 DIN: 00039888

Amit Kumar Singh
 Chief Financial Officer

Globe Capital Market Limited

Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2018
(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 on a going concern basis under the historical cost convention, 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 - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 vide RBI/DNBR/2016-17/44 Master Direction DNBR.PD.008/03.10.119/2016-17 dated 1 September 2016 issued by the Reserve Bank of India and amended from time to time and as applicable to a subsidiary company - Globe Fincap Limited. Also refer to (iv) below.

- (ii) The Consolidated Financial Statements comprise for the current year and previous year, 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.

IC



Globe Capital Market Limited

Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2018
(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 as on 31st March 2018:

Name of entity	Net assets		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Holding Company				
Globe Capital Market Limited	64.72	7,295,184,326	62.44	1,014,453,378
Subsidiary Company				
Indian :-				
Globe Commodities Limited	13.69	1,542,685,973	9.68	157,311,714
Globe Fincap Limited	15.24	1,718,286,229	21.42	348,079,799
Globe Derivatives and Securities Limited	5.13	578,125,066	5.78	93,832,654
Globe Capital (IFSC) Limited	0.07	8,034,848	0.93	15,082,331
Foreign :-				
Globe Comex International DMCC	1.15	129,327,050	(0.25)	(4,116,686)
Total	100	11,271,643,492	100	1,624,643,190

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Globe Capital Market Limited

Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2018
(All amounts are in Indian Rupees)

Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements as on 31st March 2017:

Name of entity	Net assets		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Holding Company				
Globe Capital Market Limited	68.70	7,386,399,091	65.41	1,015,106,916
Subsidiary Company				
Indian :-				
Globe Commodities Limited	12.89	1,385,374,262	13.50	209,199,647
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)	(2,120,548)
Foreign :-				
Globe Comex International DMCC	(0.08)	132,948,330	(0.14)	(27,028,738)
Total	100	10,751,695,874	100	1,550,972,262

- 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.
- 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 2017 to 31 March 2018.
- 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:
- the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
 - the minorities' share of movements in equity since the date the parent-subsidary 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

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Globe Capital Market Limited

Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2018
(All amounts are in Indian Rupees)

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/ amortisation. Cost includes original cost of acquisition and incidental expenses related to such acquisition.

Depreciation on property, plant and equipment 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 (except in case of foreign subsidiary):

Assets category	Useful life of asset (Rate of depreciation)
Office premises	60 years (1.67%)
Furniture and fittings	10 years (10%)
Office equipment	5 years (20%)
Computers	3 years (33.33%)
Computer server	6 years (16.67%)
Vehicles	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 property, plant and equipment 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.



Globe Capital Market Limited

Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2018

(All amounts are in Indian Rupees)

(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.

(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'.

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Globe Capital Market Limited

Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2018
(All amounts are in Indian Rupees)

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.
 - 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

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Globe Capital Market Limited

Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2018
(All amounts are in Indian Rupees)

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.

(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.

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Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2018

(All amounts are in Indian Rupees)

(xvi) Earnings per share

A basic earnings per share is computed using the weighted average number of equity shares outstanding during the year. A 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.

(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 - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 vide RBI/DNBR/2016-17/44 Master Direction DNBR.PD.008/03.10.119/2016-17 dated 1 September 2016 issued by the Reserve Bank of India and as amended from time to time and the provisions of the Companies Act, 2013, as applicable to it. Provision on standard assets has been provided at the rate of 0.40% 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.



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Globe Capital Market Limited
Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2018
 (All amounts are in Indian Rupees)

2. Notes to the financial statements

2.01(a): Share capital	As at 31 March 2018	As at 31 March 2017
Authorised		
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
Issued, subscribed and fully paid-up:		
26,250,000 (previous year 29,112,500) equity shares of Rs. 10 each *	262,500,000	291,125,000
	<u>262,500,000</u>	<u>291,125,000</u>

* refer to Note 2.31(b) and (c)

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

	As at 31 March 2018		As at 31 March 2017	
	Number	Amount	Number	Amount
At the beginning of the year	29,112,500	291,125,000	32,812,500	328,125,000
Add: Issued during the period	-	-	-	-
Less: Bought back during the year *	2,862,500	28,625,000	3,700,000	37,000,000
Outstanding at the end of the year	26,250,000	262,500,000	29,112,500	291,125,000

* refer to Note 2.31(b) and (c)

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 2018	Number of shares as at 31 March 2017
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	1,826,907
A to Z Consultants Private Limited	1,575,000	1,575,000

2.01(e): Details of shares buy back (during 5 years immediately preceding 31 March 2018):

	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Equity shares buy back by capitalisation of securities premium account *	2,862,500	3,700,000			

* refer to Note 2.31(b) and (c)



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Globe Capital Market Limited

Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2018
(All amounts are in Indian Rupees)

	As at 31 March 2018	As at 31 March 2017
2.02: Reserves and surplus		
Capital redemption reserve		
Opening balance	250,487,050	201,887,050
Add: Addition during the year *	38,625,000	48,600,000
	<u>289,112,050</u>	<u>250,487,050</u>
Capital reserve on consolidation	43,057,120	43,057,120
Foreign currency translation reserve		
Opening balance	46,990,317	53,013,917
(Less)/ add: (Utilised)/ addition during the year	912,080	(8,023,600)
	<u>47,902,397</u>	<u>46,990,317</u>
Securities premium account		
Opening balance	215,125,772	1,332,525,772
Less: Utilised during the year **	(215,125,772)	(1,117,400,000)
	<u>215,125,772</u>	<u>215,125,772</u>
General reserve		
Opening balance	2,900,000,000	2,650,000,000
Less: Utilised during the year *	681,981,727	-
Less: Dividend distribution tax*	206,980,642	-
Add: Addition during the year	250,000,000	250,000,000
	<u>2,261,037,631</u>	<u>2,900,000,000</u>
Statutory reserve **		
Opening balance	275,579,879	219,956,487
Add: Additions during the year	69,615,960	55,623,392
	<u>345,195,839</u>	<u>275,579,879</u>
Surplus		
Opening balance	6,729,330,736	5,496,118,242
Less: Transition adjustment on adoption of Accounting Standard-15 (revised)	-	(536,376)
Less: Adjustment on account of change in useful life of tangible assets	60,491	-
Add: Profit for the year transferred from the Statement of Profit and Loss	1,623,063,188	1,550,972,262
	<u>8,352,454,415</u>	<u>7,046,554,128</u>
Less: Transfer to statutory reserve **	(69,615,960)	(55,623,392)
Less: Transfer to capital redemption reserve	(10,000,000)	(11,600,000)
Less: Transfer to general reserve	(250,000,000)	(250,000,000)
	<u>8,022,838,455</u>	<u>6,729,330,736</u>
	<u><u>11,009,143,492</u></u>	<u><u>10,460,570,874</u></u>

* refer to Note 2.31(b) and (c)

** Statutory reserve represents the reserve fund created under Section 45-1C of the Reserve Bank of India Act, 1934 (RBI Act). Under Section 45-1C, 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. 69,615,960 (previous year Rs. 55,623,392), 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	1,005,800,372	700,000,000
- from others	678,585,526	385,750,000
	<u>1,684,385,898</u>	<u>1,085,750,000</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 #	45,458,932	35,291,696
Provision for standard assets	1,527,449	958,582
	<u>46,986,381</u>	<u>36,250,278</u>

refer to note 2.25



Globe Capital Market Limited
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	As at 31 March 2018	As at 31 March 2017
2.05: Short-term borrowings		
Secured		
Loans repayable on demand from banks (overdrafts) #	2,359,748,834	2,105,972,959
Term loans from bank *	159,650,000	
Loans from other parties **	500,000,000	610,000,000
Unsecured		
Commercial paper ^	943,977,997	985,416,446
Loan from related parties ***		500,000
From others ***	163,752,000	122,937,200
	4,127,128,828	3,824,826,605

out of the above, Rs. 1,360,261,266 (previous year Rs. 1,105,716,852) are secured against fixed deposits pledged, interest rate varies from 6.5% to 8.10% per annum (previous year 8% to 9.25% per annum) and Rs. 999,487,565 (previous year 1,000,256,107) are secured against all current assets (excluding specifically earmarked for others), interest rate 9.35% per annum (previous year 9.35%).

* Rs. 159,650,000 (previous year Rs. Nil) are secured against fixed deposits pledged, interest rate varies from 8.15% to 8.35% per annum (previous year Nil).

** Loan amounting to Rs Nil (Previous Year Rs 160,000,000) is repayable on 14 September 2017 and Rs. 500,000,000 (Previous Year Rs. 450,000,000) is repayable on 7 November 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% to 9.25% per annum (Previous Year 9.25% to 10.50% per annum) and 8.6% to 9% per annum (Previous Year 9.00% to 10.25% per annum) respectively.

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

^ Detail of repayment, interest rate and installment due for the year ended 31 March 2018:

Particulars	As at 31 March 2018	Date of redemption
8.00% HDFC Bank (INE081J14644)	260,000,000	07 June 2018
8.50% HDFC Bank (INE081J14651) issued on 19 March 2018	260,000,000	14 June 2018
8.50% HDFC Bank (INE081J14651) issued on 21 March 2018	260,000,000	14 June 2018
8.50% HDFC Bank (INE081J14669)	180,000,000	25 June 2018
Total	960,000,000	

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
Total	1,000,000,000	

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

39,659,567

29,600,906

39,659,567

29,600,906

2.07: Other current liabilities

Advance/ margin received from:

- customers

- related parties

Payable to exchanges

Current maturities of long term debt

Salary, bonus and other employee payables

Interest accrued but not due on borrowings

Income received in advance

Book overdrafts

Withholding and other taxes payable

6,734,433,463

138,875

1,180,213,632

523,678,926

77,888,077

3,572,034

10,430,204

646,045

47,540,294

8,578,541,550

6,501,738,770

6,916,132

243,441,538

325,000,000

85,287,295

2,891,586

6,582,369

58,018,711

7,229,876,401



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Globe Capital Market Limited
 Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2018
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2.09 Fixed assets

Particulars	Gross block			Accumulated depreciation/ amortisation			Net block		
	As at 1 April 2017	Additions during the year	Deletions during the year	As at 31 March 2018	As at 1 April 2017	Depreciation charge for the year	Deletions during the year	As at 31 March 2018	As at 31 March 2017
Tangible assets									
Office premises	15,206,725 (3,728,725)	- (11,478,000)	-	15,206,725 (15,206,725)	1,062,385 (975,256)	253,682 (87,129)	-	1,316,067 (1,062,385)	13,890,658 (14,144,340)
Furniture and fittings	4,832,025 (4,776,886)	506,966 (247,713)	262,296 (192,574)	5,076,695 (4,832,025)	3,168,332 (3,019,261)	362,941 (334,317)	224,216 (185,246)	3,307,057 (3,168,332)	1,769,638 (1,663,693)
Computers	79,641,526 (76,882,723)	1,093,401 (3,133,853)	441,625 (375,050)	80,293,302 (79,641,526)	72,390,490 (70,388,664)	2,348,297 (2,376,876)	410,669 (375,050)	74,328,118 (72,390,490)	5,965,184 (7,251,036)
Office equipment	17,640,494 (17,522,189)	2,344,273 (1,489,195)	1,412,231 (1,370,890)	18,572,536 (17,640,494)	13,664,527 (12,968,728)	1,647,118 (1,819,341)	1,285,420 (1,115,542)	14,026,225 (13,664,327)	4,546,311 (3,975,967)
Vehicles	27,513,416 (28,214,336)	27,207,519	1,337,309 (700,920)	53,383,626 (27,513,416)	10,857,749 (7,972,706)	4,255,834 (3,385,963)	1,335,035 (700,920)	13,778,548 (10,857,749)	39,605,078 (16,655,667)
Total tangible assets (I)	144,834,186 (131,124,859)	31,152,159 (16,348,761)	3,453,461 (2,639,434)	172,532,884 (144,834,186)	101,143,483 (95,316,615)	8,867,872 (8,203,626)	3,255,340 (2,376,758)	106,756,015 (101,143,483)	65,776,869 (43,690,703)
Intangible assets									
Software	6,356,775 (6,356,775)	-	-	6,356,775 (6,356,775)	6,356,775 (6,356,775)	-	-	6,356,775 (6,356,775)	-
Total tangible assets (II)	6,356,775 (6,356,775)	-	-	6,356,775 (6,356,775)	6,356,775 (6,356,775)	-	-	6,356,775 (6,356,775)	-
Total (I+II)	151,190,961 (137,481,634)	31,152,159 (16,348,761)	3,453,461 (2,639,434)	178,889,659 (151,190,961)	107,500,258 (101,673,390)	8,867,872 (8,203,626)	3,255,340 (2,376,758)	113,112,790 (107,500,258)	65,776,869 (43,690,703)

figures in brackets relates to previous year



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Globe Capital Market Limited
Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2018
(All amounts are in Indian Rupees)

	As at 31 March 2018	As at 31 March 2017
2.08: Short-term provisions		
Provision for gratuity #	15,387,651	5,720,157
Provision for income tax (net of income-tax recoverable Rs. 307,332,440 (previous year Rs. 516,631,591))	19,217,413	60,988,409
Provision for standard assets	19,345,076	10,203,506
Provision for doubtful debts	51,100,000	21,600,000
Provision for non performing assets	10,576,674	550,275
	<u>115,626,814</u>	<u>99,062,347</u>
# refer to note 2.25		
2.10: Non-current investment (non-trade, at cost)		
A. Investment in equity instruments		
Quoted		
Fully paid-up of face value Rs. 10 each		
14,699 (previous year 19,114) shares of Kothari Products Limited	343,998	447,321
102,917 (previous year 121,261) shares of Jaysree Chemicals Limited	1,543,754	1,818,914
20,419 (previous year 55,419) shares of Murudeshwar Ceramics Limited	408,380	1,108,380
6,625 (previous year 6,625) shares of Narayana Hrudayalaya Limited	1,656,250	1,656,250
Nil (previous year 600) shares of Thejo Engineering Limited		120,600
2,589,874 (previous year 3,657,874) shares of Rural Electrification Corporation Limited	295,503,988	417,362,525
118,074 (previous year 135,900) shares of Goodyear India Limited	56,701,414	65,261,803
337,147 (previous year 385,000) shares of Deccan Gold Mine Limited	11,552,578	13,192,295
20,000 (previous year 150,294) shares of Bombay Burmah Trading Corporation	7,328,664	29,560,166
13,769 (previous year 13,769) shares of Sintex Limited	894,985	894,985
59,326 (previous year 60,000) shares of Elantas beck India Limited	34,570,447	34,963,200
57 (previous year 57) shares of Karnataka Bank Limited	3,990	3,990
175 (previous year 2,362) shares of Canara Bank	72,716	525,425
5,194 (previous year 5,194) shares of The South Indian Bank Limited	36,225	36,225
111 (previous year Nil) shares of Intellect Design Arena Limited	9,546	
81 (previous year Nil) shares of Piramal Enterprises Limited	192,780	
1,117 (previous year Nil) shares of Tata Steel Limited	569,670	
48 (previous year Nil) shares of Lakshmi Vilas Bank	5,856	
250 (previous year Nil) shares of Sumeet Industries Limited	6,000	
Fully paid-up of face value Rs. 5 each		
120,000 (previous year 60,000) shares of Castrol India Limited	2,762,463	2,762,457
Partly paid-up of face value Rs. 5 each		
857 (previous year Nil) shares of Tata Steel Limited	131,979	
25 (previous year Nil) Kanpur Plastipack Limited	938	
Fully paid-up of face value Rs. 2 each		
694 (previous year 694) shares of East India Hotels Limited	45,804	45,804
4,500 (previous year Nil) share of HCL Infosystem Limited	211,500	
401 (previous year Nil) share of VIP Clothing Limited	10,426	
Unquoted		
Equity shares, fully paid-up of face value Rs. 10 each		
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 31,338) shares of Tamilnadu Mercantile Bank Limited	4,065,812	4,065,812
B. Investment in compulsory convertible debentures		
Quoted		
Debentures, fully paid-up of face value Rs. 1,000 each		
Nil (previous year 225) debentures of Religare Finvest Limited		223,443
10 (previous year 10) debentures of Religare Finvest Limited	10,000	10,000
C. Investment in bonds		
Quoted		
1,000 (previous year 1,000) Sovereign Gold bonds	3,119,000	3,119,000
D. Investment in Preference shares		
Quoted		
Preference shares, fully paid-up of face value Rs. 10 each		
5,247,492 (previous year 5,247,492) shares of JSW Steel Limited	23,786,592	23,786,592
	<u>445,647,345</u>	<u>601,066,777</u>
Aggregate market value of quoted investments	696,080,783	1,060,199,142
Aggregate book value of quoted investments	441,479,943	596,899,375
Aggregate book value of unquoted investments	4,167,402	4,167,402



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Globe Capital Market Limited
 Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2018
 (All amounts are in Indian Rupees)

	As at 31 March 2018	As at 31 March 2017
2.11: Deferred tax assets		
Deferred tax assets		
Provision on standard assets	6,078,079	3,862,975
Provision for non-performing assets	3,079,928	190,438
Provision for doubtful debts	8,214,569	63,892
Provision for gratuity	21,018,577	14,037,040
Disallowances on unrealised loss as per Income Computation and Disclosure Standards	6,684,221	2,236,431
Disallowances u/s 43B of the Income-tax Act, 1961	1,345,213	652,742
Difference between carrying cost of fixed assets as per Companies Act, 2013 and Income-tax Act, 1961	479,681	613,483
Total (A)	46,900,268	21,657,001
Deferred tax liability		
Disallowances on unrealised profit as per Income Computation and Disclosure Standards	1,217,706	
Difference between carrying cost of fixed assets as per Companies Act, 2013 and Income-tax Act, 1961		8,001,358
Total (B)	1,217,706	8,001,358
Deferred tax assets (net)	45,682,562	13,655,643
Break-up of above:		
Subsidiary with deferred tax liability (net)		1,037,642
Rest of the Companies in the group with deferred tax asset (net)	45,682,562	14,693,285
2.12: Long-term loans and advances		
Secured, considered good		
Loans - Standard assets (receivable from financing activities)	381,862,364	383,433,014
Unsecured, considered good		
Margins/ deposits with stock exchange and others	111,789,261	100,801,321
Income-taxes recoverable	59,272,910	66,835,536
[net of provision for tax Rs. 2,717,555,615 (previous year Rs. 1,779,058,603)]		
Capital advances	99,600,000	99,600,000
Other advances	9,909,035	6,277,700
	662,433,570	656,947,571
2.13: Other non-current assets (Unsecured, considered good)		
Bank deposits with maturity more than twelve months *		
- placed under lien with banks	1,329,507,121	691,544,799
- pledged with the clearing corporations and stock exchanges as margin	745,033,000	986,816,954
- deposits in hand	144,799,000	424,305,000
	2,219,339,121	2,102,666,753
Interest accrued but not due	11,207,980	2,881,160
	2,230,547,101	2,105,547,913
* refer to note 2.16		
2.14: Inventories (at lower of cost and net realizable value)		
Stock-in-trade of securities, commodities and bonds	2,389,345,994	2,850,806,777
	2,389,345,994	2,850,806,777



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Globe Capital Market Limited
 Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2018
 (All amounts are in Indian Rupees)

	As at 31 March 2018	As at 31 March 2017
2.15: Trade receivables		
Secured		
a) Outstanding for more than six months from due date		
- Considered good	177,542,248	43,138,187
b) Other trade receivables		
- Considered good	2,595,903,960	477,003,769
Unsecured		
a) Outstanding for more than six months from due date		
- Considered good	1,476,981	1,257,583
- Considered doubtful	21,375,654	19,232,357
b) Other trade receivables		
- Considered good	539,202,251	116,813,306
- Considered doubtful	2,132,154	10,984
	<u>3,337,633,248</u>	<u>1,657,458,126</u>
Less: Provision for doubtful debts	23,507,808	19,243,341
	<u><u>3,314,125,440</u></u>	<u><u>1,638,214,785</u></u>
2.16: Cash and bank balances		
Cash and cash equivalents		
Cash in hand		
Balances with banks:	184,320	624,857
- in current accounts		
- fixed deposits less than three months	1,047,038,320	699,520,347
	48,700,000	52,500,000
	<u>1,095,922,640</u>	<u>752,645,204</u>
Other bank balances		
Bank deposits with maturity less than twelve months *		
- placed under lien with banks	6,058,767,755	4,792,153,735
- pledged with the clearing corporations and stock exchanges as margin	2,817,269,114	1,943,399,496
- deposits in hand	386,205,000	212,700,000
	<u>9,262,241,869</u>	<u>6,948,253,231</u>
Bank deposits with maturity more than twelve months *		
- placed under lien with banks	1,329,507,121	691,544,799
- pledged with the clearing corporations and stock exchanges as margin	745,033,080	986,816,954
- deposits in hand	144,799,000	424,305,000
	<u>2,219,339,121</u>	<u>2,102,666,753</u>
Total cash and bank balances	12,577,503,630	9,803,565,188
Less: bank deposits with maturity more than twelve months	3,219,339,121	2,102,666,753
	<u><u>10,358,164,509</u></u>	<u><u>7,700,898,435</u></u>
* excludes bank deposits given to exchanges by constituents, as margins, on their behalf amounting to Rs. 6,713,327,283 (previous year Rs.5,545,677,208)		
2.17: Short-term loans and advances		
Secured		
Standard assets (receivable from financing activities)		
Sub-standard assets (receivable from financing activities)	4,607,617,597	3,938,720,175
SMA accounts (receivable under financing activities)	73,380,136	2,201,096
	2,201,096	
Unsecured		
Standard assets (receivable from financing activities)	228,651,377	142,682,192
Sub-standard assets (receivable from financing activities)	26,883,866	
Margins/ deposit with stock exchange and others	205,938,499	223,990,428
Advance to related parties	11,914	4,450
Receivable from exchanges	44,938,560	2,970,475,313
Other advances	337,330,044	93,652,074
	<u>5,526,953,089</u>	<u>7,371,725,728</u>
2.18: Other current assets		
Interest accrued but not due on fixed deposits		
Receivable from clients *	106,235,164	73,578,319
Dividend receivable	715,261,999	
Interest accrued but not due on bonds	3,771,100	929,760
	27,788	
	<u>825,296,051</u>	<u>74,508,079</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.

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Globe Capital Market Limited
Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2018
 (All amounts are in Indian Rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
2.22: Other expenses		
Communication	30,805,652	30,734,560
Travelling and conveyance	21,613,665	22,257,666
Printing and stationery	2,464,945	2,331,484
Rent #	48,252,253	46,058,381
Rates and taxes (net of recoveries)	2,323,839	5,475,770
Fees and subscription	4,494,169	2,522,961
Bad debts written-off		
Debts written-off during the year	30,166,857	78,147,772
Less: bad debts recovered	-	21,731,735
Less: provision made earlier, no longer required written back	-	17,482,838
Provision for doubtful debts	53,007,808	19,720,384
Provision for doubtful advances	-	21,600,000
Provision for standard assets	9,710,437	274,595
Provision for non-performing assets	10,026,399	550,275
Entertainment/ business promotion	3,685,816	3,005,282
Brokerage and commission	284,143,312	326,740,258
Electricity	12,276,158	12,343,473
Depository expenses	8,466,028	7,165,186
Warehouse charges	10,850,350	10,992,530
Exchange charges	128,108,971	104,187,618
Advertisement	1,576,516	1,994,057
Legal and professional *	25,916,433	27,864,619
Repairs and maintenance - others	12,108,783	10,604,413
Insurance	1,118,101	1,066,204
Computer and data processing charges	25,557,766	21,600,675
Donation	784,350	149,500
Contributions towards corporate social responsibility	35,720,000	29,050,000
Festivity expenses	4,020,257	2,529,284
Security transaction tax	112,290,984	90,244,248
Commodity transaction tax	972,408	689,558
Loss on exchange rate fluctuation	29,565	132,839
Miscellaneous	6,972,865	6,473,210
	884,464,687	747,292,189

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	2,603,750	4,167,000
For tax audit	157,500	150,000
Other matters	400,000	1,885,000
Reimbursement of expenses	152,000	494,000
	3,313,250	6,696,000

2.23: Finance costs

Interest expense		
- on term loans from banks	165,085,857	66,981,169
- on bank overdrafts	131,892,312	100,124,039
- on others	331,359,768	254,924,888
Other borrowing costs		
- discount on commercial papers	96,646,934	85,199,751
- other	87,191,538	102,860,521
	812,176,409	610,090,368



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Globe Capital Market Limited

Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2018
(All amounts are in Indian Rupees)

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

Particulars	As at 31 March 2018	As at 31 March 2017
Contingent liabilities		
Claims against the Group not acknowledged as debt (on account of arbitration filed by client)	45,955,089	49,749,089
On account of stamp duty	327,590,700	327,590,700
On account of income tax	884,760	-
On account of VAT	161,594,671	155,453,445
Capital commitments		
On contracts remaining to be executed on capital account and not provided for	12,265,879	10,000,000
Guarantee given for borrowing taken	650,000,000	-

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 2018 and 31 March 2017:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
a) Change in present value of obligation		
Present value of obligation at the beginning of the year	41,011,853	36,560,380
Add: Current service cost	7,926,299	5,834,169
Past service cost *	-4,310,005	-
Interest cost	2,958,015	2,801,006
Benefit paid	(2,750,220)	(2,571,577)
Actuarial (gain)/ loss on obligation	7,390,631	(1,612,125)
Present value of obligations at the end of the year	60,846,583	41,011,853
b) Amount recognised in the Consolidated Balance Sheet		
Present value of obligations at the end of the year	60,846,583	41,011,853
Net liability recognised in the Consolidated Balance Sheet #	60,846,583	41,011,853
c) Gratuity cost for the year		
Current Service Cost	7,926,299	5,634,169
Past service cost	4,310,005	-
Interest Cost	2,958,015	2,801,006
Net Actuarial (gain)/ loss recognised in the year	7,390,631	(1,612,125)
Net gratuity cost recognised in the Consolidated Statement of Profit and Loss	22,584,950	7,023,050

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Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2018
(All amounts are in Indian Rupees)

d) Assumptions used for actuarial valuation		
Discount rate	7.40%	6.80%
Rate of increase in compensation	8.00%	5.00%
Withdrawal rate	20.00%	10.00%
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

* past service cost reflects the increase in gratuity cost due to new regulatory requirement with respect to increase in gratuity limit from Rs. 1,000,000 to Rs. 2,000,000.

includes current portion Rs. 15,387,651 (previous year Rs. 5,720,157) and non-current portion Rs.45,458,932 (previous year Rs. 35,291,696).

(ii) Experience adjustments

	For the year ended 31 March 2018	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
Present value of obligation	118,998,411	41,011,853	34,211,204	29,440,170	22,109,136
Surplus/ (Deficit)	(118,998,411)	(41,011,853)	(34,211,204)	(29,440,170)	(22,109,136)
Experience adjustments on plan liabilities	3,832,384	(955,578)	(678,384)	(72,245)	2,481,651

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. 8,968,777 (previous year Rs. 8,209,191) 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

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Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2018
(All amounts are in Indian Rupees)

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
Nidhi Aggarwal	Whole-time Director, Globe Derivatives and Securities Limited
Amit Bansal	Director, Globe Commodities Limited (resigned w.e.f. 31 December 2016)

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 2018	For the year ended 31 March 2017
Short-term loan received		
Lakshya Impex Private Limited	135,012,964	62,241,405
Rolex Finvest Private Limited	28,000,000	-
Bolt Synthetic Private Limited	1,500,000	56,100,000
Short-term loan repaid		
Rolex Finvest Private Limited	28,000,000	-
Bolt Synthetic Private Limited	2,000,000	55,600,000
Lakshya Impex Private Limited	135,012,964	62,241,405
Brokerage earned		
Rolex Finvest Private Limited	-	449
Lakshya Impex Private Limited	435	8,681
M Agarwal Stock Brokers Private Limited	12,238	46,064
A to Z Venture Capital Limited	38,921	9,693
Bolt Synthetic Private Limited	455	852
A M Share Brokers Private Limited	166	299
A to Z Consultants Private Limited	13	43,931



Globe Capital Market Limited

Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2018
(All amounts are in Indian Rupees)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Reimbursement of expenses		
M Agarwal Stock Brokers Private Limited	15,867	104,388
Globe Capital Foundation	5,616	4,174
Price Ponder Private Limited	-	30,249
Income from portfolio management services		
M Agarwal Stock Brokers Private Limited	566,585	277,212
Ankit Agarwal	103,852	41,295
Arpit Agarwal	1,435	-
Income from depository services		
Rolex Finvest Private Limited	4,040	4,278
Lakshya Impex Private Limited	1,241	1,220
M Agarwal Stock Brokers Private Limited	7,058	7,072
Bolt Synthetic Private Limited	1,180	2,438
A M Share Brokers Private Limited	1,753	1,810
Others	6,154	7,183
Remuneration to directors #		
Ashok Kumar Agarwal	60,927,597	62,777,893
Yashpal Mendiratta	60,927,597	62,777,893
Alka Agarwal	480,000	480,000
Alka Mendiratta	480,000	480,000
Nidhi Aggarwal	3,600,000	3,000,000
Sahil Mendiratta	3,600,000	3,028,800
Arpit Agarwal	3,600,000	3,028,800
Ankit Agarwal	3,600,000	3,000,000
Harshita Agarwal	2,200,000	900,000
Expenses (Rent)		
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
Contribution towards corporate social responsibility		
Globe Capital Foundation (refer to Note 2.28)	33,720,000	27,050,000

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Globe Capital Market Limited

Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2018

(All amounts are in Indian Rupees)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest paid		
Lakshya Impex Private Limited	470,849	292,787
Rolex Finvest Private Limited	260,548	-
Bolt Synthetic Pvt. Limited	24,658	1,150,208
M Agarwal Stock Brokers Private Limited	-	849,349
Purchase of fixed assets		
Harshita Agarwal	8,500,000	-
Purchase of share		
M. Agarwal Stock Brokers Private Limited	-	13,167
A M Share Brokers Private Limited	-	8,011
Balances outstanding as at the year end Advance/ margin received from related parties		
M Agarwal Stock Brokers Private Limited	988	745,198
A to Z Consultants Private Limited	-	886,278
A to Z Venture Capital Limited	-	362,724
Bolt Synthetics Private Limited	-	1,099,647
Rolex Finvest Private Limited	-	1,742,957
Ashok Kumar Agarwal	-	2,079,328
Advance/ margin recoverable from related parties		
A to Z Venture Capital Limited	142,642	4,403
Lakshya Impex Private Limited	2,388	44
A M Share Brokers Private Limited	59	-
Rolex Finvest Private Limited	4711	-
Short-term borrowings		
Bolt Synthetics Private Limited	-	500,000
Salary, bonus and other payables		
Ashok Kumar Agarwal	8,053,603	18,575,499
Yashpal Mendiratta	8,053,603	18,575,499
Alka Agarwal	49,864	-
Alka Mendiratta	54,864	-
Nidhi Aggarwal	279,099	139,161
Sahil Mendiratta	287,220	163,080
Arpit Agarwal	287,220	163,080
Ankit Agarwal	269,748	81,580
Harshita Agarwal	134,874	110,283



Globe Capital Market Limited**Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2018
(All amounts are in Indian Rupees)**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Guarantee Received		
Ashok Kumar Agarwal	400,000,000	
Yashpal Mendiratta	400,000,000	

includes value of perquisites (if any).

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.
- 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.

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Globe Capital Market Limited

Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2018
(All amounts are in Indian Rupees)

a) Primary Segment information (by business segments)

Particulars	Capital market	Financing activities	Unallocated others	Total
i) Segment revenue	3,637,278,744 (3,439,187,652)	877,076,256 (726,930,971)	- (-)	4,514,355,000 (4,166,118,623)
ii) Segment results	2,120,314,588 (2,089,619,578)	669,786,669 (565,770,258)	- (-)	2,790,101,257 (2,655,389,836)
Less: Interest expenses				500,452,044 (321,867,780)
Less: Unallocated expenditure (net of unallocated income)				50,858,667 (43,754,118)
Add: Exceptional item				- (-)
Less: Taxation #				614,147,356 (738,795,676)
Total profit after tax				1,624,643,190 (1,550,972,262)
iii) Segment assets	20,123,678,387 (18,257,061,793)	5,320,596,435 (4,467,036,477)	374,015,147 (319,308,497)	25,818,289,969 (23,043,406,768)
iv) Segment liabilities	12,292,706,635 (10,681,426,283)	2,198,827,254 (1,563,830,473)	100,795,151 (61,147,424)	14,592,329,040 (12,306,404,180)
v) Capital expenditure	18,726,553 (16,200,961)	- (-)	12,333,664 (147,800)	31,060,217 (16,348,761)
vi) Depreciation	7,754,569 (7,217,679)	- (-)	1,113,303 (985,947)	8,867,872 (8,203,626)
vii) Non cash expenses other than depreciation				
- Bad debts written off (net of provision written back)	- (359,672)	30,166,857 (38,573,527)	- (-)	30,166,857 (38,933,199)
- Provision for doubtful debts	23,507,808 (19,720,384)	29,500,000 (-)	- (-)	53,007,808 (19,720,384)
- Provision for doubtful advance	- (21,600,000)	- (-)	- (-)	- (21,600,000)
- Provision for standard assets	- (-)	9,710,437 (274,595)	- (-)	9,710,437 (274,595)



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Globe Capital Market Limited

Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2018
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Particulars	Capital market	Financing activities	Unallocated others	Total
- Provision for non-performing assets	-	10,026,399	-	10,026,399
- Provision for gratuity	22,584,950	(550,275)	(-)	22,584,950
	(7,023,050)	(-)	(-)	(7,023,050)

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	4,512,410,081	25,515,289,620	31,152,159
	(4,162,655,793)	(22,816,409,789)	(16,348,761)
Outside India	1,969,255	303,000,349	-
	(3,462,830)	(226,996,979)	(-)
Total	4,514,355,000	25,818,289,969	31,152,159
	(4,166,118,623)	(23,043,406,768)	(16,348,761)

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. 35,695,219 (previous year Rs. 28,984,576).
- b) Amount Spent during the year on:

Particulars	(Amount in Rs.)		
	In Cash	Yet to be paid in cash	Total
(i) Construction/Acquisition of Assets	-	-	-
	(-)	(-)	(-)
(ii) On purpose other than (i) above	35,720,000	-	35,720,000
	(29,050,000)	(-)	(29,050,000)
Total	35,720,000		35,720,000
	(29,050,000)		(29,050,000)

(Figures in bracket represents previous year numbers)

- c) During the current year, the Company has made contributions amounting to Rs 33,720,000 (previous year Rs. 27,050,000) to a Public Charitable Trust 'Globe Capital Foundation' (a related party as per AS-18).



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Globe Capital Market Limited

Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2018
(All amounts are in Indian Rupees)

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 2018	For the year ended 31 March 2017
Net profit after tax	1,624,643,190	1,550,972,262
Net profits attributable to equity shareholders (A)	1,624,643,190	1,550,972,262
Equity shares outstanding during the year for calculation of basic and diluted earnings per share (B)	27,677,329	30,602,637
Basic and diluted earnings per equity share of the face value of Rs. 10 each (C = A/B)	58.70	50.68

(b) Reconciliation of weighted average number of equity shares for the year ended 31 March 2018:

Description	Number of shares	Weighted average number of shares
Equity shares of face value of Rs. 10 per share from:		
- 1 April 2017 to 31 March 2018	29,112,500	29,112,500
Less: shares buy back		
- 29 September 2017 to 31 March 2018	2,862,500	1,435,171
Total	26,250,000	27,677,329

(c) 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
Total	29,112,500	30,602,637



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Globe Capital Market Limited

Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2018
(All amounts are in Indian Rupees)

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 2018:

Funder	Facility and rate of interest	Amount outstanding		Repayment terms			Interest payment terms
		As at 31 March 2018		Installment	Periodicity	Start date	Periodicity
		Long term maturity	Current maturity				
ICICI Bank	Term loan 9.10%	500,000,000	200,000,000	20	Quarterly	31 Dec 2016	Monthly
Kotak Mahindra Investments Limited	Term loan 9.25%	218,750,000	125,000,000	16	Quarterly	4 Feb 2017	Monthly
Kotak Mahindra Investments Limited	Term loan 9.25%	180,000,000	-	60	Monthly	3 Jun 2014	Monthly
Kotak Mahindra Investments Limited	Term loan 8%	459,835,526	131,381,579	20	Quarterly	25 Dec 2017	Monthly
HDFC Bank	Term loan 8.6%	83,333,333	50,000,000	36	Quarterly	Dec 2017	Monthly
Tourism Finance Corporation of India	Term loan 11.25%	234,400,000	15,600,000	48	Quarterly	28 Mar 2019	Monthly
ICICI Bank	Car loan 7.75%	8,067,038	1,697,347	60	Monthly	Mar 2018	Monthly
Total		1,684,385,897	523,678,926				



Globe Capital Market Limited

Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2018
(All amounts are in Indian Rupees)

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
Total		1,085,750,000	325,000,000				

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 the 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. During the current year, the Company has received a letter dated 8 December 2017 from BSE informing that the name of the company has been removed from Dissemination Board of the Exchange with effect from 11 December 2017.

(b) During the previous 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.

(c) During the current year, the Board of Directors in their meeting held on 24 August 2017 had recommended to buy back 2,862,500 equity shares at the rate of Rs. 313.40/- per share from the public shareholders on proportionate basis and the same had been approved by the share holders in their meeting on 12 September 2017. Consequently, the relevant shareholders had tendered 2,862,500 equity shares through tender offer for Buy Back and after paying off the consideration of Rs. 897,107,500 to the shareholders, the Company extinguished the tendered equity share capital.



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Globe Capital Market Limited

Significant accounting policies and notes to the consolidated financial statements for the year ended 31 March 2018
(All amounts are in Indian Rupees)

2.32 During the current year, the Company received a show cause notice, regarding the applicability of service tax on income earned on late pay-in charges, amounting to Rs. 129,359,873 relating to 1 July 2012 to 31 March 2017. The Company is in the process of filing the reply against the same. Based upon discussion with its expert counsel, the Company is not expecting any liability on this account.

2.33 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:

This disclosure is not applicable for year ended 31 March 2018.

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)
Closing cash in hand as on 30 December 2016	-	617,690	617,690

* 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 B S R & Co. LLP
Chartered Accountants
FRN: 101248W/W-100022

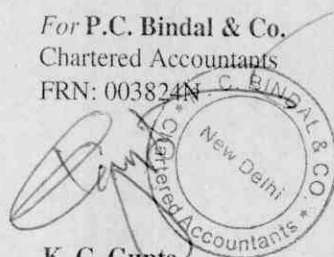
Jiten Chopra
Jiten Chopra
Partner
Membership No.: 092894



Place: Gurugram
Date: 28 April 2018

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

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



Place: New Delhi
Date: 28 April 2018

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

Yashpal Mendiratta
Yashpal Mendiratta
Managing Director
DIN: 00004185

Dhiraj Jaiswal
Dhiraj Jaiswal
Company Secretary

Place: New Delhi
Date: 28 April 2018

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

Amit Kumar Singhal
Amit Kumar Singhal
Chief Financial Officer