

Globe Capital Market Limited

Statutory Audit

For the year ended 31 March 2015

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

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Globe Capital Market Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness



of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 state of affairs of the Company as at 31 March 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ('Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we enclose in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the said Order.

Further, as required by Section 143 (3) of the Act, we report 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 purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone 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 written representations received from the directors, as at 31 March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act; and
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer to Note 2.23 to the financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer to Note 2.32 to the financial statements; and



- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



Jiten Chopra
Partner
Membership No.: 092894

Place: Gurgaon
Date: 28 April 2015

(B S R & Co. (a partnership firm with Registration No. BA 61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from 14 October 2013)

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



K.C. Gupta
Partner
Membership No.: 088638

Place: New Delhi
Date: 28 April 2015

Annexure to the Independent Auditors' Report
(Referred to in our report of even date)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

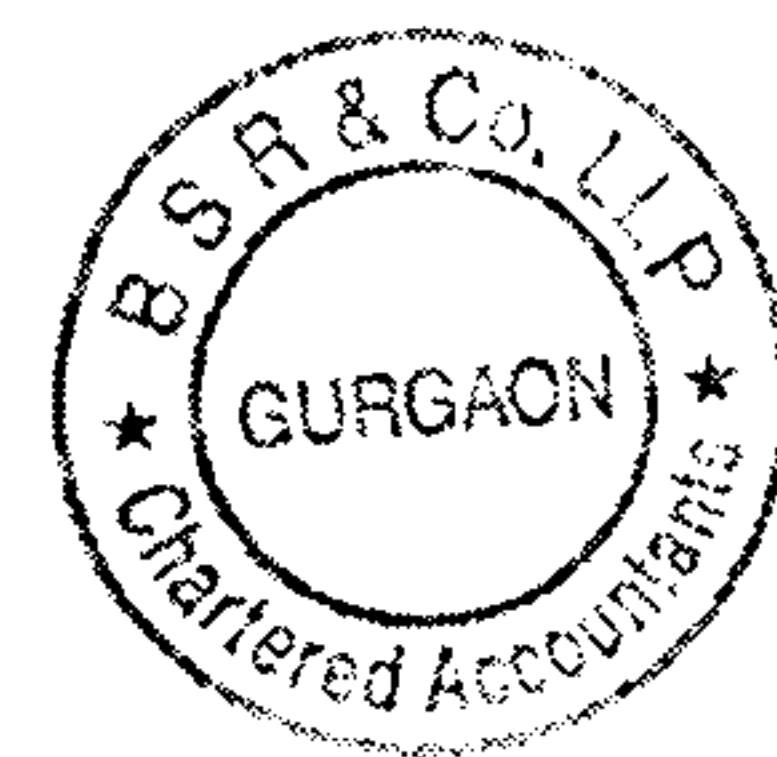
(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
2. (a) As informed to us, the inventory, which is in the nature of securities, has been physically verified by the management during the year, either by actual inspection or on the basis of statement received from depository participants in respect of shares held as inventory. In our opinion, the frequency of such verification is reasonable.

(b) The procedures for the physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records in respect of inventory. No material discrepancies have been noticed on physical verification of inventory.
3. The Company has not granted any loans, secured or unsecured, to Companies or other parties covered in the register maintained under Section 189 of the Act. According to the information and explanations given to us, we are of the opinion that there are no firms covered in the register maintained under Section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of fixed assets and inventory and sale of goods and services. We have not observed any material weaknesses in the internal control system during the course of our audit.
5. According to the information and explanations given to us, the Company has not accepted any deposits during the year.
6. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services rendered by the Company.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Service tax, and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund, Value added tax, Sales-tax, Wealth tax, Excise duty and Custom duty.

(b) According to the information and explanations given to us, no material undisputed amounts payable in respect of Income-tax, Service tax and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable. As explained to us, the Company did not have any dues on account of Sales tax, Wealth tax, Excise duty, Value added tax, Cess and Custom duty.

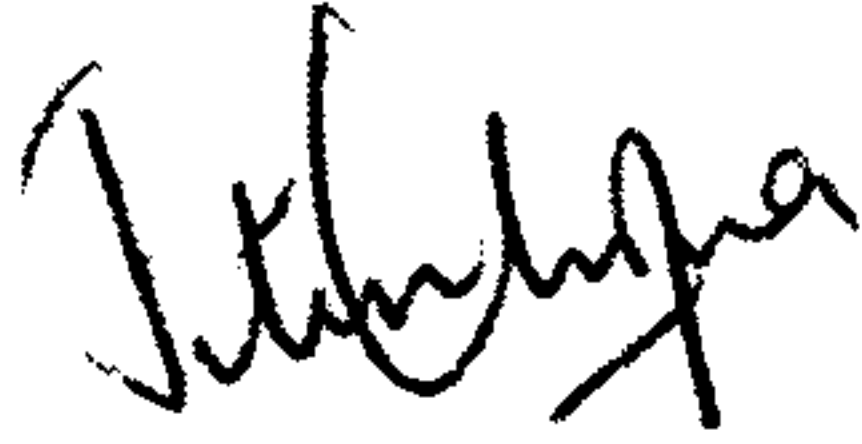
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has not incurred cash losses in the financial year in the current and immediately preceding financial year.

- 9 In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any banks and financial institution. The Company did not have any outstanding dues to debenture holders during the year.
- 10 According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 11 The Company did not have any term loans outstanding during the year.
- 12 According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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



Jiten Chopra
Partner
Membership No.: 092894

Place: Gurgaon
Date: 28 April 2015

(B S R & Co. (a partnership firm with Registration No. BA 61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from 14 October 2013)

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



K.C. Gupta
Partner
Membership No.: 088638

Place: New Delhi
Date: 28 April 2015

Globe Capital Market Limited
Balance Sheet as at 31 March 2015
(All amounts are in Indian rupees)

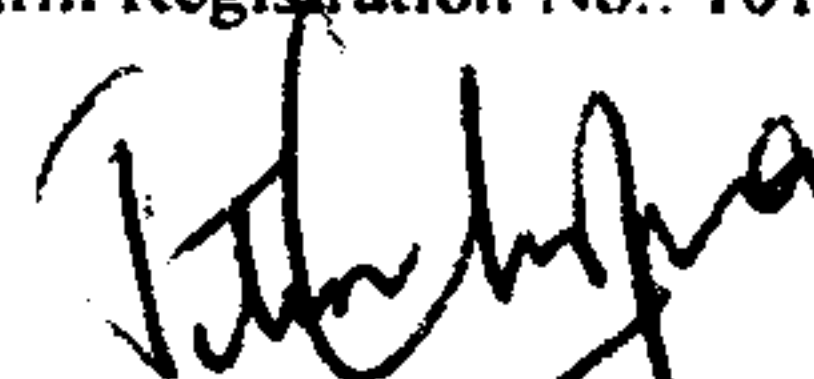
	Note	As at 31 March 2015	As at 31 March 2014
Equity and liabilities			
Shareholders' funds			
Share capital	2.1	328,125,000	328,125,000
Reserves and surplus	2.2	6,815,858,914	6,058,377,133
Non-current liabilities			
Long-term provisions	2.3	20,407,373	14,814,009
Current liabilities			
Short-term borrowings	2.4	2,566,790,594	1,069,191,890
Trade payables	2.5	12,217,885	14,512,804
Other current liabilities	2.6	4,420,691,558	3,258,558,753
Short-term provisions	2.7	5,010,884	4,128,796
		14,169,102,208	10,747,708,385
Assets			
Non-current assets			
Fixed assets	2.8		
Tangible assets		23,546,253	31,024,819
Intangible assets		-	50,112
Non-current investments	2.9	2,695,475,652	2,721,387,143
Deferred tax assets (net)	2.10	15,841,722	14,360,413
Long-term loans and advances	2.11	147,141,873	160,000,246
Other non-current assets	2.12	1,584,154,443	465,631,803
Current assets			
Inventories	2.13	3,288,702,118	1,934,302,153
Trade receivables	2.14	1,266,300,422	188,144,279
Cash and bank balances	2.15	4,077,819,735	4,530,254,745
Short-term loans and advances	2.16	1,006,072,092	643,469,802
Other current assets	2.17	64,047,898	59,082,870
		14,169,102,208	10,747,708,385

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

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

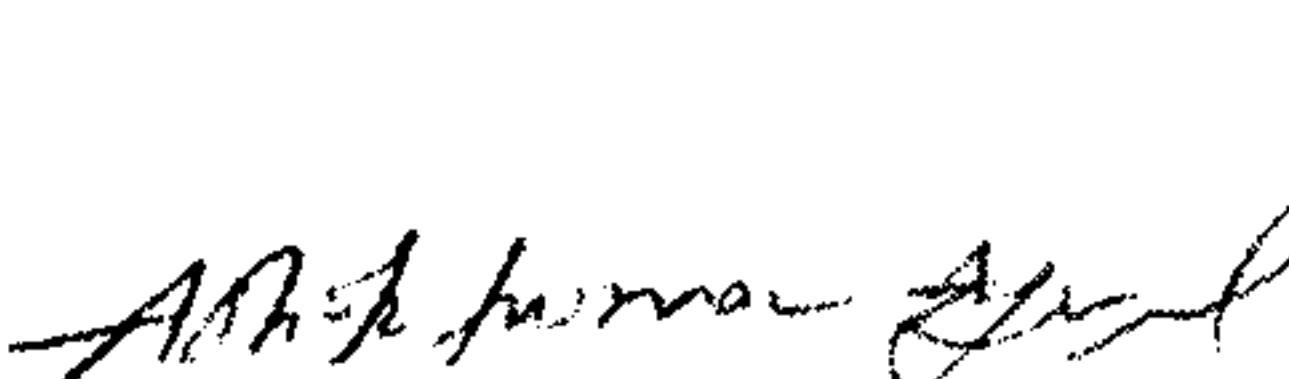

Nishu De Gopla
Partner
Membership No.: 088638

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


Yashpal Mendiratta
Director
DIN: 00004185


Dhiraaj Jaiswal
Company Secretary

Place: New Delhi
Date: 28 April 2015


Ashok Kumar Agarwal
Director
DIN: 00003988


Manish Agrawal
Chief Financial Officer

Place: New Delhi
Date: 28 April 2015

Globe Capital Market Limited
Statement of Profit and Loss for the year ended 31 March 2015
(All amounts are in Indian rupees)

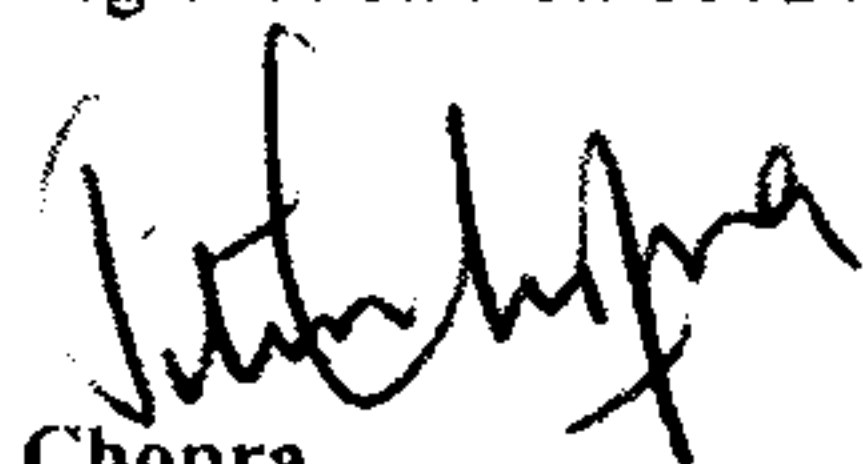
	Note	For the year ended 31 March 2015	For the year ended 31 March 2014
Revenue			
Revenue from operations	2.18	2,352,986,938	1,586,070,363
Other income	2.19	173,651	175,942
Total revenue		2,353,160,589	1,586,246,305
Expenses			
Employee benefits expense	2.20	363,270,583	310,298,806
Other expenses	2.21	538,436,894	437,527,200
Finance cost	2.22	322,576,163	231,248,278
Depreciation and amortisation	2.8, 2.30	12,233,904	10,661,848
Total expenses		1,236,517,544	989,736,132
Profit before tax		1,116,643,045	596,510,173
Tax expense			
Current income-tax		338,300,000	118,800,000
Deferred tax charge/ (credit)		2,492,656	(532,298)
Profit after tax for the year		775,850,389	478,242,471
Earnings per equity share (par value Rs. 10 per share)			
Basic and diluted earnings per share (Rs.)	2.28	23.64	14.58

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

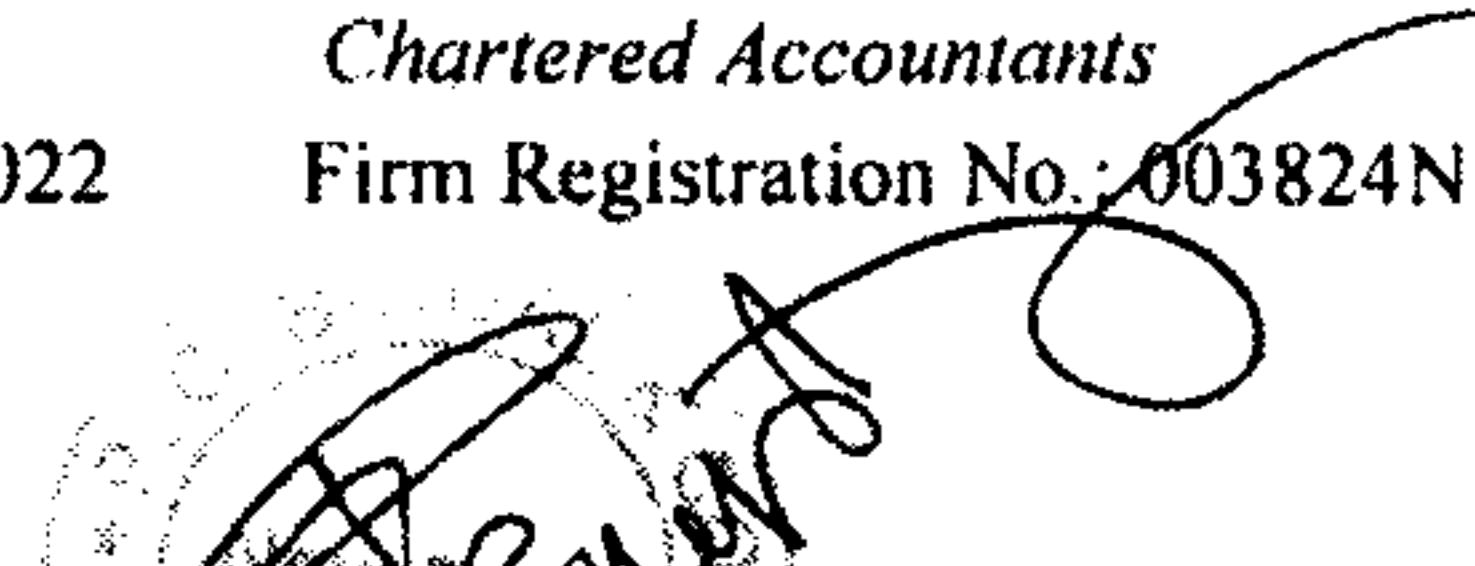
The accompanying notes are an integral part of the financial statements

As per our report of even date attached

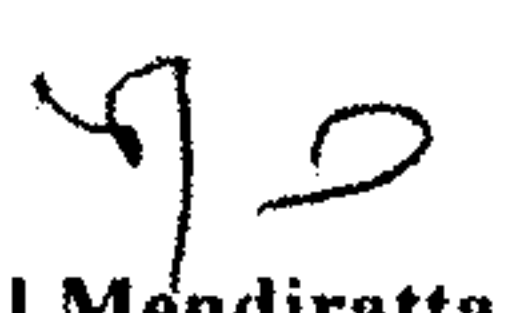
For **BSR & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022


Jiten Chopra
Partner
Membership No.: 092894

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

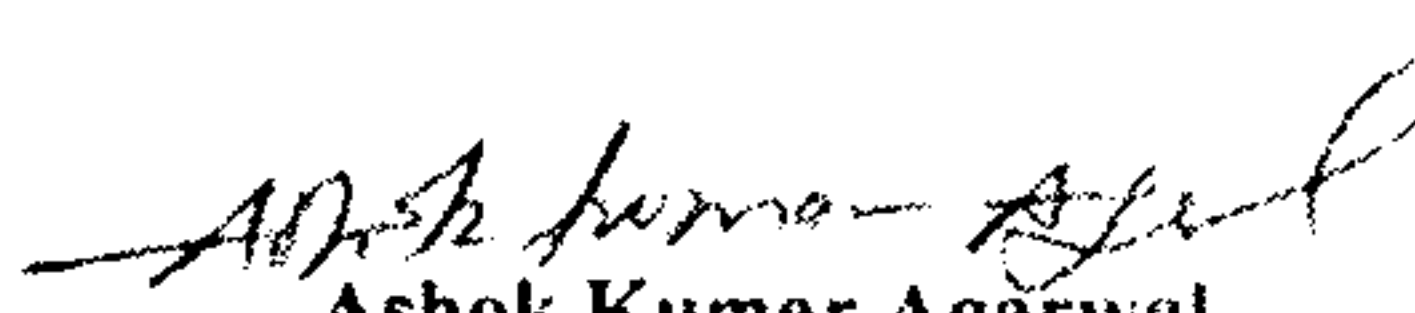

K. C. Gupta
Partner
Membership No.: 088638

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


Yashpal Mendiratta
Director
DIN: 00004185


Dhiraj Jaiswal
Company Secretary

Place: New Delhi
Date: 28 April 2015


Ashok Kumar Agarwal
Director
DIN: 00003988


Manish Agrawal
Chief Financial Officer

Place: New Delhi
Date: 28 April 2015

Place: Gurgaon
Date: 28 April 2015

Globe Capital Market Limited
Cash Flow Statement for the year ended 31 March 2015
 (All amounts are in Indian rupees)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Cash flow from operating activities		
Profit before tax	1,116,643,045	596,510,173
Add:		
Depreciation and amortisation	12,233,904	10,661,848
Bad debts written-off	3,057,961	-
Provision for doubtful debts	2,529,231	-
Loss on sale of fixed assets (net)/ written-off	395,760	2,268,140
Discount on issuance of commercial paper (included in other borrowing cost)	55,441,176	8,152,899
Interest expense on loans and overdrafts	88,437,036	94,040,356
Less:		
Gain on sale of investments (net)	(43,754,790)	(208,920)
Interest on investments in tax-free bonds	(661,038)	(766,794)
Dividend income on non-current investments	(1,519,869)	(1,974,427)
Provision liabilities no longer required written-back	(1,207,025)	(3,823,720)
Operating profit before working capital changes	1,231,595,391	704,859,555
Adjustments for:		
(Increase)/ decrease in inventories	(1,354,399,965)	(1,138,659,324)
(Increase)/ decrease in trade receivables	(1,083,743,336)	1,387,698
(Increase)/ decrease in loans and advances (refer note 2 below)	(351,676,536)	(228,695,838)
(Increase)/ decrease in other current assets	(4,965,028)	(7,051,989)
(Increase)/ decrease in other bank balances (refer note 3 below)	(645,184,537)	203,331,600
Increase/ (decrease) in trade payables	(1,087,893)	1,222,995
Increase/ (decrease) in other current liabilities and provisions (refer note 2 below)	1,168,608,256	(120,746,494)
Cash generated from operations	(1,040,853,648)	(584,351,797)
Income taxes paid (gross)	(334,067,436)	(130,318,532)
Contributions towards CSR	(10,651,000)	-
Net cash from/ (used in) operating activities (A)	(1,385,572,084)	(714,670,329)
Cash flow from investing activities		
Purchase of fixed assets	(17,467,950)	(2,048,300)
Proceeds from sale of fixed assets	675,390	680,236
Interest on investments in tax-free bonds	661,038	766,794
Purchase of investments	-	(9,188,928)
Proceeds from disposal of investments	69,666,281	10,682,735
Dividend on long-term investments	1,519,869	1,974,432
Net cash from/ (used in) investing activities (B)	55,054,628	2,866,969
Cash flow from financing activities		
Interest paid on loans and overdrafts	(88,437,036)	(94,040,356)
Proceeds from term loans	-	700,000,000
Repayment of term loans	-	(700,000,000)
Proceeds from commercial paper	2,931,426,600	685,902,350
Repayment of commercial paper	(2,490,000,000)	(450,000,000)
Proceeds from/ (repayment of) bank overdrafts (net)	1,000,730,928	576,627,724
Net cash used in financing activities (C)	1,353,720,492	718,489,718
Net increase/ (decrease) in cash or cash equivalents (A+B+C)	23,203,036	6,686,358
Cash and cash equivalent at the beginning of the year (refer Note 2.15)	32,257,762	25,571,404
Cash and cash equivalent at the end of the year (refer Note 2.15)	55,460,798	32,257,762

Notes:

- 1 The Cash Flow Statement has been prepared in accordance with the 'Indirect Method' specified in Accounting Standard 3, 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.
- 2 Include both long-term and short-term assets/ liabilities.
- 3 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) has been included in operating activities.
- 4 Previous year figures have been regrouped/ reclassified wherever necessary to conform to the current year classification.

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

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

Membership No. 001608

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

Yashpal Mendiratta
 Director
 DIN: 00004185
 Dhruv Jaiswal
 Company Secretary

Ashok Kumar Agarwal
 Director
 DIN: 00003988

Manish Agrawal
 Chief Financial Officer

Place: Gurgaon
 Date: 28 April 2015

Place: New Delhi
 Date: 28 April 2015

Place: New Delhi
 Date: 28 April 2015

Globe Capital Market Limited
Significant accounting policies and notes to the financial statements for the year ended 31 March 2015
(All amounts are in Indian Rupees)

1. Significant accounting policies

(i) Basis of preparation

The financial statements 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, as adopted consistently by the Company.

(ii) 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:

- a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within 12 months after the reporting date; or
- d) 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.

Liabilities

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

- a) It is expected to be settled in the company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within 12 months after the reporting date; or
- d) 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.

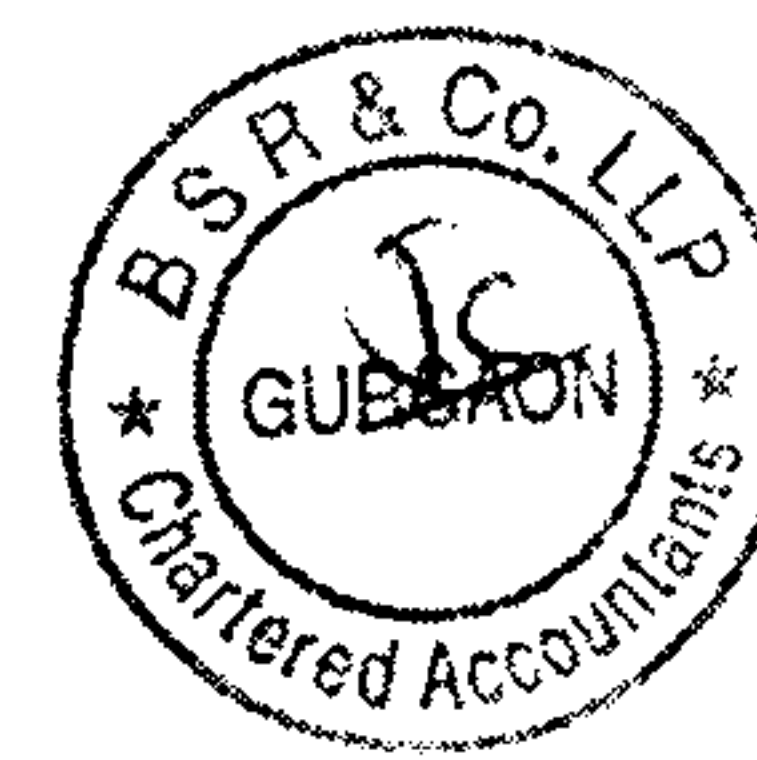
All other liabilities are classified as non-current.

Operating cycle

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

(iii) Use of estimates

The preparation of 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 recognized prospectively.



Globe Capital Market Limited
Significant accounting policies and notes to the financial statements for the year ended 31 March 2015
(All amounts are in Indian Rupees)

(iv) Revenue recognition

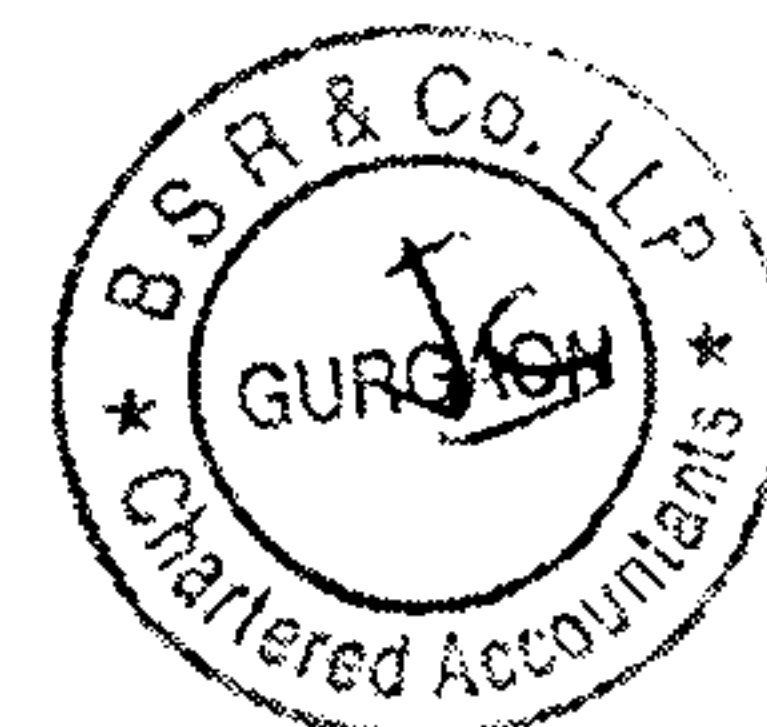
- i. Revenue from broking activities is accounted for on an accrual basis on the trade date of transaction and includes related charges recovered from customers.
- ii. Income from trading in securities and derivatives and arbitrage comprises profit/ loss on sale of securities held as inventories and profit/ loss on equity and derivatives instruments. Profit/ loss on sale of securities are determined on First-In-First-Out ('FIFO') cost of the securities sold and are accounted for on the trade date of transaction. Profit/ loss on equity derivatives transactions is accounted for as explained below:

Equity index 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 futures, which are released on final settlement/ squaring-up of underlying contracts, are disclosed under 'short-term loans and advances'.
- 2 Equity index/ stock futures are marked-to-market on a daily basis. Debit or credit balance disclosed under 'short term loans and advances' or 'other current liabilities', respectively, in the 'Mark-to-Market Margin–Equity Index/ Stock 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 at the Balance Sheet date, profit/ loss on open positions in index/ stock futures are accounted for as follows:
 - Credit balance in the 'Mark-to-Market Margin–Equity Index/ Stock Futures Account', being anticipated profit, is ignored and no credit for the same is taken in the Statement of Profit and Loss.
 - Debit balance in the 'Mark-to-Market Margin–Equity Index/ Stock Futures Account', being anticipated 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.
- iii. Income from interest on fixed deposit is recognized on a time proportion basis, based on applicable interest rates.
- iv. Dividend from investments is accounted for as income when the right to receive dividend is established.
- v. Income from depository and portfolio management services is accounted for on an accrual basis.
- vi. In respect of other heads of income, the Company follows the practice of recognizing income on an accrual basis.

(v) 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.



Globe Capital Market Limited
Significant accounting policies and notes to the financial statements for the year ended 31 March 2015
(All amounts are in Indian Rupees)

Depreciation on fixed assets other than intangible assets is provided on the straight-line basis over the estimated useful life of each asset as determined by the management. Pursuant to this policy, depreciation is provided at the following rates which are in line with the corresponding rates prescribed in Schedule II of the Companies Act, 2013:

Assets Category	Useful life of asset	
	1 April 2014 onwards	Prior to 1 April 2014
Furniture and fittings	10 years (10%)	6.33%
Office equipment	5 years (20%)	4.75%
Computers	3 years (33.33%)	16.21%
Computer server	6 years (16.67%)	16.21%
Vehicles	8 years (12.50%)	9.50%

Amortisation of intangible assets comprising 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.

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

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

(vi) Impairment

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 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.

(vii) 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 non-current investments and those which are intended to be held for less than one year are classified as current investments. Long-term 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 non-current 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.

(viii) Inventories

Inventories or stock-in-trade is valued at lower of cost and net realizable value. Cost comprises expenditure



Globe Capital Market Limited
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(All amounts are in Indian Rupees)

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.

(ix) Employee benefits

The Company's obligation towards various employee benefits is recognized 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 recognized in the Statement of Profit and Loss in the year in which the employee renders the related service.

Employee entitlements to annual leave are recognized 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 Statement of Profit and Loss.

Defined benefit plan

The Company 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 recognized immediately in the Statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs.

(x) Current and deferred tax

Income-tax expense comprises current tax (i.e. amount of tax for the 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 year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization 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 realized.

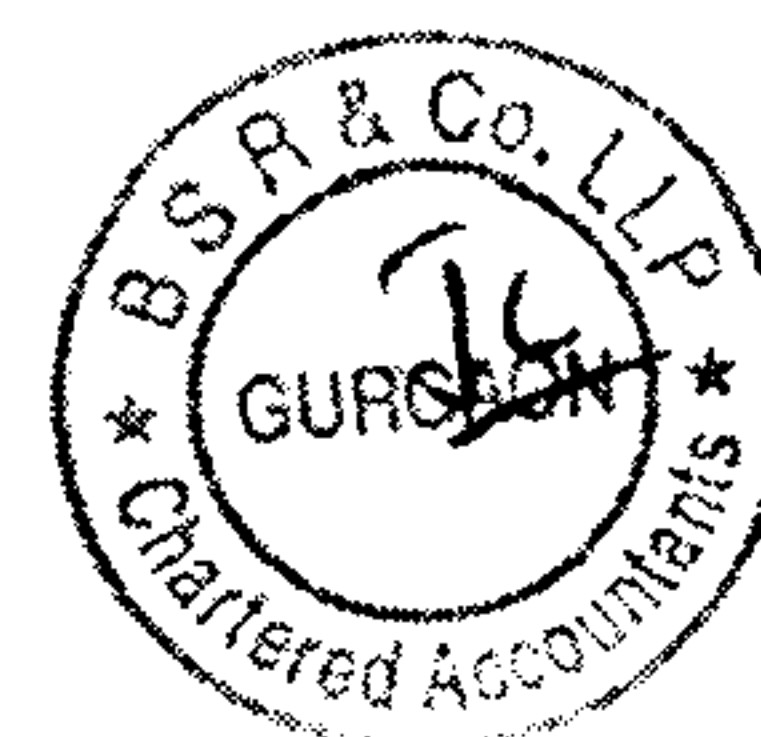
(xi) Foreign currency transactions

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 recognized 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.

(xii) Leases

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



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Significant accounting policies and notes to the financial statements for the year ended 31 March 2015
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(xiii) Provision, contingent liabilities and contingent assets

The Company 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 recognized in the 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 recognized in the period in which the change occurs.

(xiv) Earnings per share

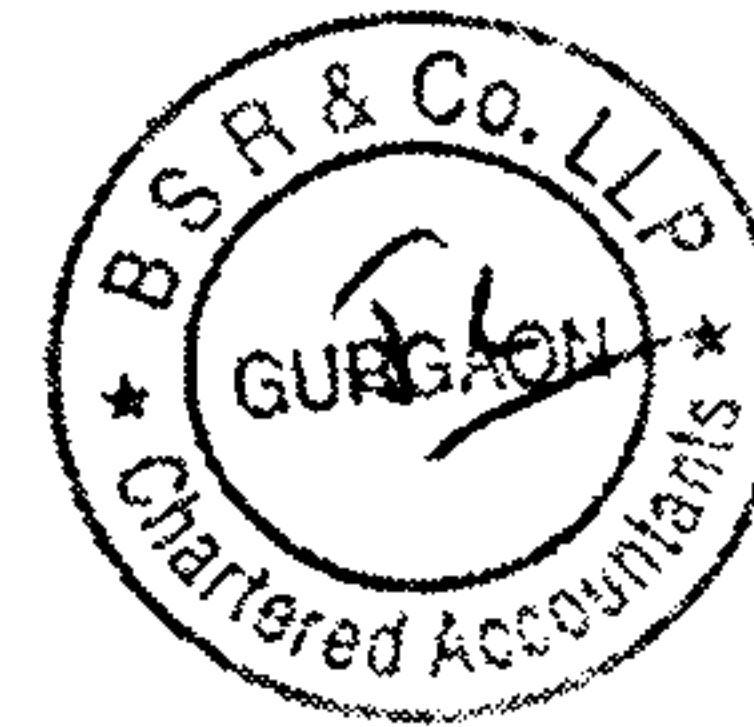
Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity and dilutive potential equity equivalent shares outstanding during the year, except where the results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

(xv) 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.

(xvi) Commercial paper

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



Globe Capital Market Limited
Significant accounting policies and notes to the financial statements for the year ended 31 March 2015
(All amounts are in Indian Rupees)

2. Notes to the financial statements

	As at 31 March 2015	As at 31 March 2014
2.1(a): Share capital		
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:		
32,812,500 (previous year 32,812,500) equity shares of Rs. 10 each	328,125,000	328,125,000
	328,125,000	328,125,000

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

	As at 31 March 2015		As at 31 March 2014	
	Number	Amount	Number	Amount
At the beginning of the year	32,812,500	328,125,000	32,812,500	328,125,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	32,812,500	328,125,000	32,812,500	328,125,000

2.1(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 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.

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

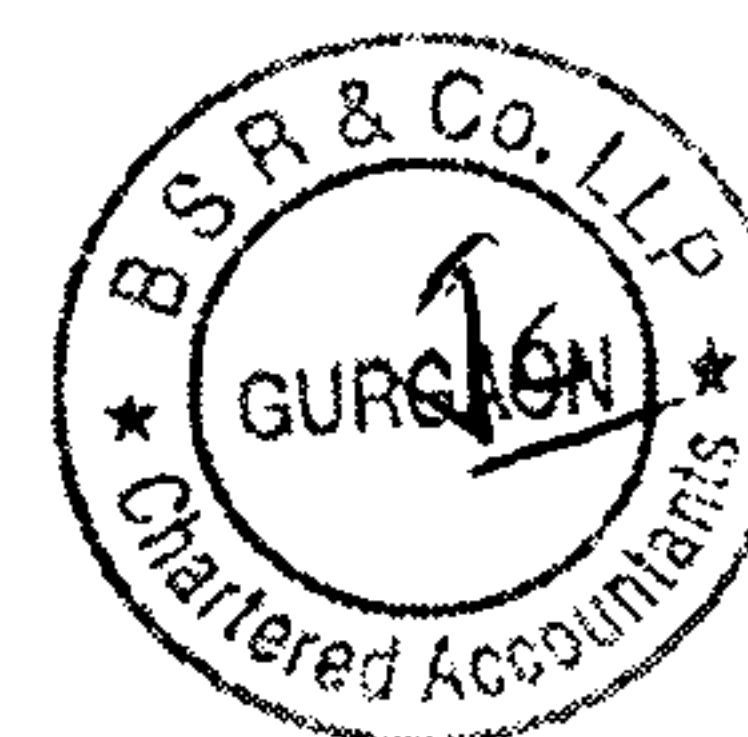
Name of the shareholder	Number of shares as at 31 March 2015	Number of shares as at 31 March 2014
Ashok Kumar Agarwal	5,775,000	5,775,000
Yashpal Mendiratta	5,772,900	5,772,900
Alka Agarwal	2,100,000	2,100,000
Alka Mendiratta	2,100,000	2,100,000
Lakshya Impex Private Limited	2,625,000	2,625,000
Rolex Finvest Private Limited	2,625,000	2,625,000
Client Rosehill Limited (formerly known as CVCIGP II Client Rosehill Limited)	4,188,324	4,188,324
CVCIGP II Employee Rosehill Limited	2,345,805	2,345,805

2.1(e): Shares allotted as fully paid up by way of bonus shares (during 5 years immediately preceding 31 March 2015):

	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Equity shares allotted as fully paid up bonus shares by capitalisation of securities premium account	-	-	-	-	31,250,000

	As at 31 March 2015	As at 31 March 2014
2.2: Reserves and surplus		
Capital redemption reserve	5,000,000	5,000,000
Securities premium account	1,334,324,960	1,334,324,960
General reserve		
Opening balance	2,050,000,000	1,800,000,000
Add: Addition during the year	400,000,000	250,000,000
	2,450,000,000	2,050,000,000
Surplus		
Opening balance	2,669,052,173	2,440,809,702
Add: Transfer from Statement of Profit and Loss	775,850,389	478,242,471
	3,444,902,562	2,919,052,173
Less: Adjustment on account of change in useful life of tangible assets *	7,717,608	-
Less: Contributions towards CSR	10,651,000	-
Less: Transfer to general reserve	400,000,000	250,000,000
	3,026,533,954	2,669,052,173
	6,815,858,914	6,058,377,133

* refer to Note 2.30



Globe Capital Market Limited
 Significant accounting policies and notes to the financial statements for the year ended 31 March 2015
 (All amounts are in Indian Rupees)

	As at 31 March 2015	As at 31 March 2014
2.3: Long-term provisions		
Provision for gratuity #	20,407,373	14,814,009
	<u>20,407,373</u>	<u>14,814,009</u>

refer to Note 2.25

2.4: Short-term borrowings

Secured		
Loans repayable on demand from banks (overdrafts) #	1,825,867,568	825,136,640
Unsecured		
Commercial paper ##	740,923,026	244,055,250
	<u>2,566,790,594</u>	<u>1,069,191,890</u>

Rs. 1,014,511,973 (previous year Rs. 825,136,640) are secured against fixed deposits pledged, interest rate varies from 9.20% to 11.25% per annum (previous year 9.50% to 11.50% per annum) and Rs. 811,355,595 (previous year Rs. Nil) are secured against shares pledged, interest rate varies from 10.03% to 12.75% per annum (previous year Nil).

Detail of repayment, interest rate and installment due for the year ended 31 March 2015:

Particulars	As at 31 March 2015	Date of redemption
10.10% HDFC Bank (INE081J14164)	260,000,000	29 April 2015
10.05% HDFC Bank (INE081J14180)	240,000,000	22 May 2015
10.20% Escort Mutual Fund (INE081J14172)	250,000,000	27 May 2015
Total	750,000,000	

Detail of repayment, interest rate and installment due for the year ended 31 March 2014:

Particulars	As at 31 March 2014	Date of redemption
10.35% HDFC Bank (INE081J14024)	250,000,000	26 June 2014
Total	250,000,000	

2.5: Trade payables

Payables against goods and services		
- due to micro and small enterprises *		
- others	12,217,885	14,512,804
	<u>12,217,885</u>	<u>14,512,804</u>

*. The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on information received and available with the Company, there are no amounts payable to Micro and Small Enterprises as at 31 March 2015 and 31 March 2014.

2.6: Other current liabilities

Advance/ margin received from:		
- customers	3,134,623,815	2,509,958,741
- related parties #	822,494,878	289,463,350
Payable to exchanges	349,627,945	207,182,724
Salary, bonus and other employee payables	63,156,908	37,252,688
Income received in advance	5,610,098	6,492,380
Bank overdrafts	11,750,636	194,485,857
Withholding and other taxes payable	33,427,278	13,723,013
	<u>4,420,691,558</u>	<u>3,258,558,753</u>

refer to Note 2.26

2.7: Short-term provisions

Provision for gratuity #	5,010,884	4,128,796
	<u>5,010,884</u>	<u>4,128,796</u>

refer to Note 2.25

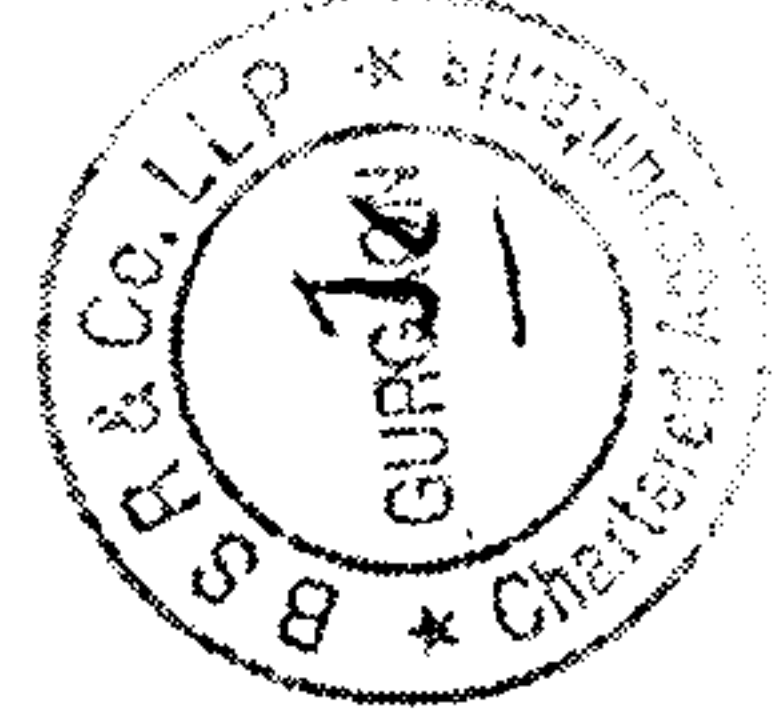
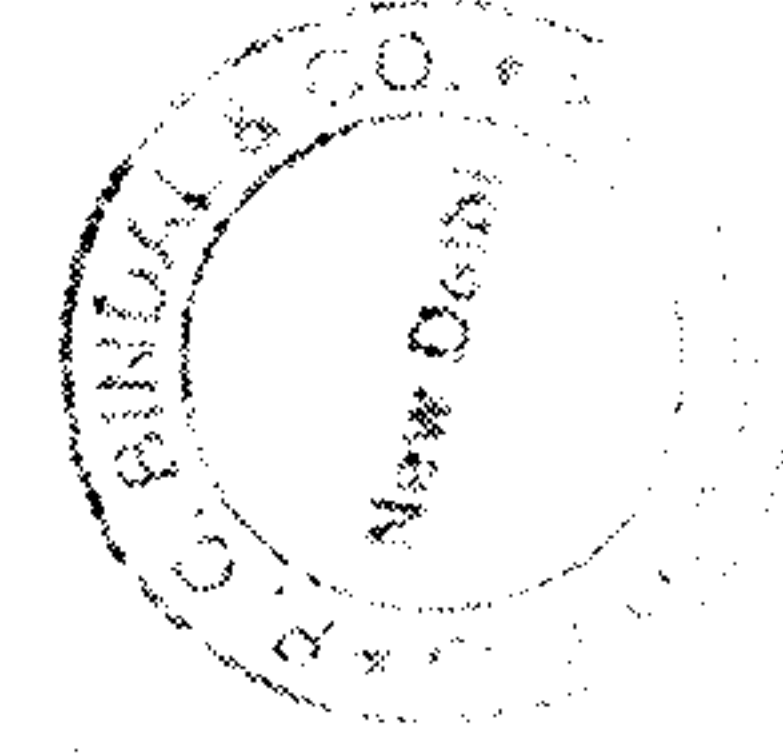


Globe Capital Market Limited
 Significant accounting policies and notes to the financial statements for the year ended 31 March 2015
 (All amounts are in Indian Rupees)

2.8: Fixed assets

Particulars	Gross block			Accumulated depreciation/ amortisation			Net block		
	As at 1 April 2014	Additions during the year	Deletions during the year	As at 31 March 2015	As at 1 April 2014	Depreciation * charge for the year	Deletions during the year	As at 31 March 2015	As at 31 March 2014
Tangible assets									
Furniture and fittings	5,177,039 (6,759,163)	632,792 (119,438)	1,087,338 (1,701,562)	4,722,493 (5,177,039)	3,453,696 (4,743,335)	333,525 (238,929)	624,942 (1,528,568)	3,162,279 (3,453,696)	1,560,214 (1,723,343)
Computers	70,382,398 (75,294,874)	2,919,486 (378,228)	3,734,000 (5,290,704)	69,567,884 (70,382,398)	54,012,563 (50,154,163)	14,429,014 (8,872,606)	3,662,468 (5,014,206)	64,779,109 (54,012,563)	4,788,775 (16,369,835)
Office equipment	16,231,230 (18,579,859)	2,474,515 (1,550,634)	1,630,543 (3,899,263)	17,075,202 (16,231,230)	4,635,313 (5,126,172)	8,375,040 (909,518)	1,093,320 (1,400,377)	11,917,033 (4,635,313)	5,158,169 (11,595,917)
Vehicles	2,573,029 (2,573,029)	11,441,157 -	- -	14,014,186 (2,573,029)	1,237,305 (992,868)	737,786 (244,437)	- -	1,975,091 (1,237,305)	12,059,095 (1,335,724)
Total tangible assets (I)	94,363,696 (103,206,925)	17,467,950 (2,048,300)	6,451,881 (10,891,529)	105,379,765 (94,363,696)	63,338,877 (61,016,538)	23,875,365 (10,265,490)	5,380,730 (7,943,151)	81,833,512 (63,338,877)	23,546,253 (31,024,819)
Intangible assets									
Software	6,275,062 (6,275,062)	- -	- -	6,275,062 (6,275,062)	6,224,950 (5,828,592)	50,112 (396,358)	- -	6,275,062 (6,224,950)	- (50,112)
Total intangible assets (II)	6,275,062 (6,275,062)	- -	- -	6,275,062 (6,275,062)	6,224,950 (5,828,592)	50,112 (396,358)	- -	6,275,062 (6,224,950)	- (50,112)
Grand total (I+II)	100,638,758	17,467,950	6,451,881	111,654,827	69,563,827	23,925,477	5,380,730	88,108,574	23,546,253
Previous year total	109,481,987	2,048,300	10,891,529	100,638,758	66,845,130	10,661,848	7,943,151	69,563,827	31,074,931

figures in brackets relates to previous year
 * refer to Note 2.30



Globe Capital Market Limited
Significant accounting policies and notes to the financial statements for the year ended 31 March 2015
(All amounts are in Indian Rupees)

	As at 31 March 2015	As at 31 March 2014
2.9: Non-current investments (non-trade, at cost)		
A. Investment in equity instruments		
Quoted		
Fully paid up of face value Rs. 10 each		
12,743 (previous year 4,892) shares of Kothari Products Limited	447,321	739,377
2,606 (previous year 2,606) shares of Mawana Sugar Limited	52,102	52,102
121,261 (previous year 121,261) shares of Jayshree Chemicals Limited	1,818,914	1,818,914
27,197 (previous year 27,197) shares of Oberoi Realty Limited	7,071,220	7,071,220
Nil (previous year 92) shares of State Bank of Mysore	-	49,680
108,600 (previous year 108,600) shares of Murudeshwar Ceramics Limited	2,172,000	2,172,000
Nil (previous year 2,602) shares of State Bank of Bikaner & Jaipur	-	1,014,780
Nil (previous year 44,000) shares of Power Finance Corporation	-	8,932,000
1,200 (previous year 1,200) shares of Thejo Engineering Limited	241,200	241,200
7,365 (previous year 7,365) shares of Uttam Sugar Mills Limited	162,030	162,030
Fully paid up of face value Rs. 5 each		
75,000 (previous year 190,612) shares of Castrol India Limited	3,453,071	8,775,958
Fully paid up of face value Rs. 2 each		
694 (previous year 11,862) shares of East India Hotels Limited	45,804	782,892
Unquoted		
Fully paid up of face value Rs. 10 each		
In subsidiary companies (wholly owned)		
2,670,000 (previous year 2,670,000) shares of Globe Commodities Limited	152,570,475	152,570,475
6,678,375 (previous year 6,678,375) shares of Globe Fincap Limited	618,540,000	618,540,000
50,000 (previous year 50,000) shares of Globe Derivatives and Securities Limited	500,000	500,000
In other companies		
5,400 (previous year 4,500) shares of Gujarat NRE Mineral Resources Limited	100,000	100,000
159 (previous year 159) shares of Sistema Shyam Teleservices Limited	1,590	1,590
B. Investment in preference shares		
In wholly owned subsidiaries		
7,764,705 (previous year 7,764,705) 12% non cumulative redeemable preference shares of Rs. 10 each fully paid of Globe Fincap Limited	659,999,925	659,999,925
3,000,000 (previous year 3,000,000) 12% non cumulative redeemable preference shares of Rs. 10 each fully paid of Globe Derivatives and Securities Limited	750,000,000	750,000,000
660,000 (previous year 660,000) 12% non cumulative redeemable preference shares of Rs. 10 each fully paid of Globe Commodities Limited	498,300,000	498,300,000
C. Investment in bonds		
Quoted, secured, fully paid up of face value Rs. 1,000 each (tax free)		
Nil (previous year 9,563) bonds of Indian Railway Finance Corporation Limited	-	9,563,000
	<u>2,695,475,652</u>	<u>2,721,387,143</u>
Aggregate market value of quoted investments	49,559,040	88,705,435
Aggregate book value of quoted investments	15,463,662	41,375,153
Aggregate book value of unquoted investments	2,680,011,990	2,680,011,990



Globe Capital Market Limited
 Significant accounting policies and notes to the financial statements for the year ended 31 March 2015
 (All amounts are in Indian Rupees)

	As at 31 March 2015	As at 31 March 2014
2.10: Deferred tax assets (net)		
Deferred tax assets		
Provision for doubtful debts	1,296,094	7,982,874
Provision for doubtful advances	-	375,024
Provision for gratuity	8,639,666	6,438,659
Disallowances u/s 43B of the Income-tax Act, 1961	4,122,449	4,176,041
Difference between carrying cost of fixed assets as per Companies Act, 2013 and Income-tax Act, 1961	1,783,513	-
Total (A)	15,841,722	18,972,598
Deferred tax liability		
Difference between carrying cost of fixed assets as per Companies Act, 2013 and Income-tax Act, 1961	-	4,612,186
Total (B)	-	4,612,186
Deferred tax assets (net) (A-B)	15,841,722	14,360,412
2.11: Long-term loans and advances (unsecured, considered good, unless otherwise stated)		
Margins/ deposit with stock exchange and others	50,142,035	61,281,883
Income-taxes recoverable	91,824,755	96,057,317
[net of provision for tax Rs. 1,452,770,000 (previous year Rs. 1,114,470,000)]		
Other advances	5,175,083	2,661,046
Advances, considered doubtful	-	1,103,335
	147,141,873	161,103,581
Less: Provision for doubtful advances	-	1,103,335
	147,141,873	160,000,246
2.12: Other non-current assets		
Bank deposits with maturity more than twelve months *		
- placed under lien with banks	1,277,700,000	207,900,000
- pledged with the clearing corporations and stock exchanges as margin	294,044,000	253,000,000
- deposits in hand	12,000,000	2,021,417
	1,583,744,000	462,921,417
Interest accrued but not due	410,443	2,710,386
	1,584,154,443	465,631,803
* refer to Note 2.15		
2.13: Inventories (at lower of cost and net realisable value)		
Stock-in-trade of shares and bonds	3,288,702,118	1,934,302,153
	3,288,702,118	1,934,302,153
2.14: Trade receivables		
Secured		
a) Outstanding for more than six months from due date		
- Considered good	27,934,224	24,074,781
b) Other trade receivables		
- Considered good	892,232,176	161,734,461
Unsecured		
a) Outstanding for more than six months from due date		
- Considered good	407,987	-
- Considered doubtful	3,066,225	22,387,211
b) Other trade receivables		
- Considered good	345,726,035	2,335,037
- Considered doubtful	746,937	1,098,739
	1,270,113,584	211,630,229
Less: Provision for doubtful debts	3,813,162	23,485,950
	1,266,300,422	188,144,279



Globe Capital Market Limited
Significant accounting policies and notes to the financial statements for the year ended 31 March 2015
(All amounts are in Indian Rupees)

	As at 31 March 2015	As at 31 March 2014
2.15: Cash and bank balances		
Cash and cash equivalents		
Cash in hand	282,806	227,608
Balances with banks:		
- in current accounts	55,177,992	32,030,154
	<u>55,460,798</u>	<u>32,257,762</u>
Other bank balances		
Bank deposits with maturity less than twelve months *		
- placed under lien with banks	2,871,154,681	2,773,651,000
- pledged with the clearing corporations and stock exchanges and others as margin	1,150,204,256	1,706,825,000
- deposits in hand	1,000,000	17,520,983
	<u>4,022,358,937</u>	<u>4,497,996,983</u>
Bank deposits with maturity more than twelve months *		
- placed under lien with banks	1,277,700,000	207,900,000
- pledged with the clearing corporations and stock exchanges and others as margin	294,044,000	253,000,000
- deposits in hand	12,000,000	2,021,417
	<u>1,583,744,000</u>	<u>462,921,417</u>
Total cash and bank balances	5,661,563,735	4,993,176,162
Less: bank deposits with maturity more than twelve months classified as other non current assets	1,583,744,000	462,921,417
	<u>4,077,819,735</u>	<u>4,530,254,745</u>

* excludes bank deposits given to exchanges by constituents, as margins, on their behalf amounting to Rs. 3,890,533,416 (previous year Rs. 3,488,441,136)

2.16: Short-term loans and advances (unsecured, considered good)

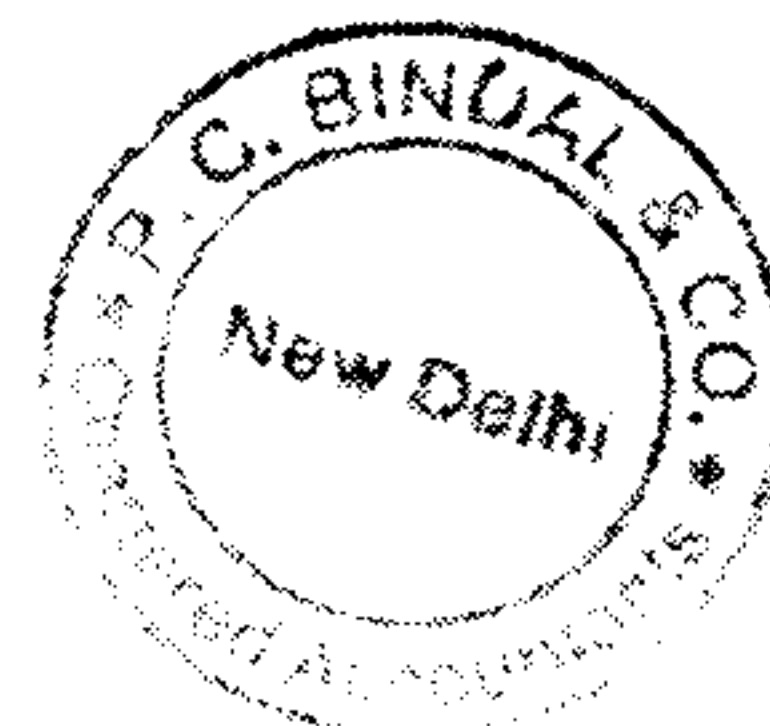
Margins/ deposit with stock exchange and others *	54,465,460	52,298,410
Receivable from exchanges **	936,224,391	577,919,070
Other advances	15,382,241	13,252,322
	<u>1,006,072,092</u>	<u>643,469,802</u>

* excludes security deposits given to exchanges by constituents, as margins, on their behalf amounting to Rs. 375,627,228 (previous year Rs. 350,357,915)

** Net of amounts receivable from clients

2.17: Other current assets

Interest accrued but not due	63,827,835	55,796,958
Dividend receivable	220,063	3,285,912
	<u>64,047,898</u>	<u>59,082,870</u>



Globe Capital Market Limited
Significant accounting policies and notes to the financial statements for the year ended 31 March 2015
 (All amounts are in Indian Rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
2.18: Revenue from operations		
Brokerage earned (gross)	700,185,068	491,654,196
Income from trading in securities	797,114,221	213,748,849
Income from depository and portfolio management services	30,803,768	29,727,118
Dividend earned	63,179,197	265,029,043
Other operating revenues		
Interest earned *	714,561,963	579,137,296
Gain on sale of investments (net)	42,701,103	208,920
Gain on sale of tax-free bonds	1,053,686	-
Dividend income on non-current investments	1,519,869	1,974,427
Provisions/ liabilities no longer required written-back	1,207,025	3,823,720
Interest on investments in tax-free bonds	661,038	766,794
	<u><u>2,352,986,938</u></u>	<u><u>1,586,070,363</u></u>

* includes interest on fixed deposits placed with banks Rs. 559,760,592 (previous year Rs. 505,612,821) and late pay-in charges recovered from clients on delayed payments Rs. 154,801,371 (previous year Rs. 73,524,475).

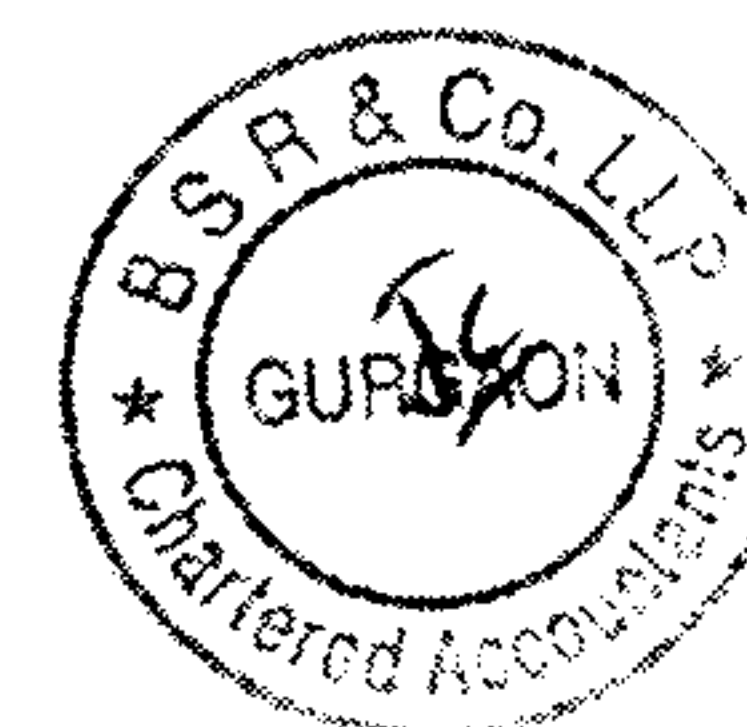
2.19: Other income

Miscellaneous	173,651	175,942
	<u><u>173,651</u></u>	<u><u>175,942</u></u>

2.20: Employee benefits expense

Salaries and wages	347,906,917	303,396,525
Contribution to provident fund	3,044,395	410,396
Gratuity *	7,763,562	1,291,295
Staff welfare	4,555,709	5,200,590
	<u><u>363,270,583</u></u>	<u><u>310,298,806</u></u>

* refer to Note 2.25



Globe Capital Market Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2015

(All amounts are in Indian Rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
2.21: Other expenses		
Communication	36,142,618	26,734,136
Travelling and conveyance	15,542,636	13,820,942
Printing and stationery	3,063,707	2,525,675
Rent #	42,119,706	45,363,921
Rates and taxes (net of recoveries)	1,565,644	3,265,724
Fees and subscription	1,007,209	1,766,737
Bad debts written-off:		
Debts written-off during the year	26,363,315	1,531,022
Less: provision made earlier, no longer required written back	<u>23,305,354</u>	<u>1,531,022</u>
Provision for doubtful debts	2,529,231	-
Entertainment/ business promotion	2,153,629	2,268,664
Brokerage and commission	157,564,727	88,246,050
Electricity	10,938,443	11,370,769
Depository expenses	6,043,087	6,695,387
Exchange charges	75,421,904	69,603,881
Advertisement	2,530,999	15,901,912
Legal and professional *	17,285,289	14,457,783
Repairs and maintenance - others	10,884,341	10,879,444
Insurance	980,718	1,172,182
Computer and data processing charges	15,767,627	16,846,831
Donation	292,100	329,000
Festivity expenses	2,824,125	2,023,453
Security transaction tax	127,480,781	97,792,804
Loss on sale of fixed assets (net)/ written-off	395,760	2,268,140
Miscellaneous	2,844,652	4,193,765
	<u><u>538,436,894</u></u>	<u><u>437,527,200</u></u>

represents rental expense incurred in respect of office space leased by the Company 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	2,050,000	2,200,000
For tax audit	50,000	50,000
For other matters	1,400,000	1,400,000
Reimbursement of expenses	412,300	331,000
	<u><u>3,912,300</u></u>	<u><u>3,981,000</u></u>

2.22: Finance cost

Interest expense		
- on term loans from bank	-	3,789,589
- on bank overdrafts	88,437,036	90,250,767
- on others	112,893,400	101,906,320
Other borrowing costs	121,245,727	35,301,602
	<u><u>322,576,163</u></u>	<u><u>231,248,278</u></u>



Globe Capital Market Limited
Significant accounting policies and notes to the financial statements for the year ended 31 March 2015
(All amounts are in Indian Rupees)

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

Particulars	As at 31 March 2015	As at 31 March 2014
Contingent liabilities		
Claims against the Company not acknowledged as debt (on account of arbitration filed by client)	45,677,991	4,295,692
On account of stamp duty	246,530,566	-

The Company 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 financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

2.24 Foreign currency expenditure:

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Travelling and conveyance	285,398	218,340
Total	285,398	218,340

2.25 Disclosures in respect of employee benefits under Accounting Standard–15 specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014

(i) The following table sets out the status of un-funded gratuity plan and the amounts recognized in the Company's financial statements as at 31 March 2015 and 31 March 2014:

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
a) Change in present value of obligation		
Present value of obligation at the beginning of the year	18,942,805	18,546,571
Current service cost	4,225,188	3,327,311
Interest cost	1,723,795	1,483,726
Benefit paid	(1,288,110)	(895,061)
Actuarial (gain)/ loss on obligation	1,814,579	(3,519,742)
Present value of obligations at the end of the year	25,418,257	18,942,805
b) Amount recognized in the Balance Sheet		
Present value of obligations at the end of the year	25,418,257	18,942,805
Net liability recognized in the Balance Sheet #	25,418,257	18,942,805
c) Gratuity cost for the year		
Current service cost	4,225,188	3,327,311
Interest cost	1,723,795	1,483,726
Net actuarial (gain)/ loss recognized in the year	1,814,579	(3,519,742)
Net gratuity cost/ (gain) recognized in the Statement of Profit and Loss	7,763,562	1,291,295
d) Assumptions used for actuarial valuation		
Discount rate	7.80%	9.10%
Rate of increase in compensation	5.00%	5.00%
Withdrawal rate	10.00%	10.00%
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

includes current portion Rs.5,010,884 (previous year Rs. 4,128,796) and non-current portion Rs.20,407,373 (previous year Rs. 14,814,009).



Globe Capital Market Limited
Significant accounting policies and notes to the financial statements for the year ended 31 March 2015
(All amounts are in Indian Rupees)

(ii) Experience adjustments

	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Present value of obligation	25,418,257	18,942,805	18,546,571	14,586,037	12,844,789
Surplus/ (Deficit)	(25,418,257)	(18,942,805)	(18,546,571)	(14,586,037)	(12,844,789)
Experience adjustments on plan liabilities	(58,918)	2,323,472	1,456,183	1,932,476	(373,013)

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. 3,044,395 (previous year Rs. 410,396) 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 disclosure

a) List of the related parties:

Subsidiary companies/ body corporate (where control exists)

Globe Commodities Limited
 Globe Fincap Limited
 Globe Derivatives and Securities Limited
 Globe Comex International DMCC (Dubai, UAE)

Key management personnel #

Yashpal Mendiratta – whole time director
 Ashok Kumar Agarwal – whole time director

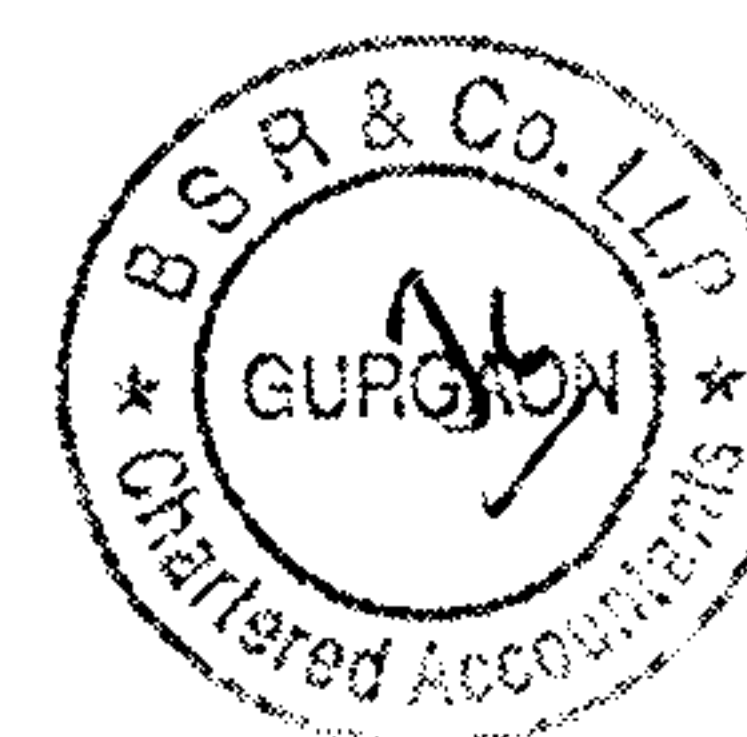
Relatives of key management personnel #

Alka Mendiratta
 Alka Agarwal

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) #
 Globe Capital Foundation

the above parties are also shareholders of the Company



Globe Capital Market Limited
Significant accounting policies and notes to the financial statements for the year ended 31 March 2015
(All amounts are in Indian Rupees)

b) Transactions with related parties

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Brokerage earned		
Globe Commodities Limited	1,190,499	417,938
Globe Fincap Limited	1,436,124	45,411
Globe Derivatives and Securities Limited	7,827,530	8,691,612
Lakshya Impex Private Limited	13,156	215
Others	51,656	20,671
Income from depository services		
Globe Commodities Limited	532,298	397,922
Globe Fincap Limited	253,858	352,020
Globe Derivatives and Securities Limited	5,431	8,490
Others	11,718	22,852
Income from portfolio management services		
M. Agarwal Stock Brokers Private Limited	122,136	66,044
Globe Derivatives and Securities Limited	71,831	36,069
Remuneration to directors (inclusive of perquisites)		
Ashok Kumar Agarwal	25,759,440	3,639,600
Yashpal Mendiratta	25,759,440	3,639,600
Expenses		
Reimbursement of expenses		
Globe Commodities Limited	752,797	868,337
Others	273,215	257,340
Interest paid		
Globe Derivatives and Securities Limited	5,653,719	-
M. Agarwal Stock Brokers Private Limited	2,229,390	-
Rent		
Ashok Kumar Agarwal (HUF)	745,800	745,800
Yashpal Mendiratta (HUF)	745,800	745,800
Alka Agarwal	150,000	150,000
Alka Mendiratta	150,000	150,000
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
Contributions to CSR		
Globe Capital Foundation	10,151,000	-



Globe Capital Market Limited
Significant accounting policies and notes to the financial statements for the year ended 31 March 2015
(All amounts are in Indian Rupees)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Balances outstanding as at the year end		
Advance/ margin received from related parties		
Globe Commodities Limited	439,495,326	288,303,184
Globe Derivatives and Securities Limited	380,993,103	657,520
M. Agarwal Stock Brokers Private Limited	2,006,451	502,646
Salary, bonus and other payables		
Ashok Kumar Agarwal	14,619,334	239,595
Yashpal Mendiratta	14,579,335	249,529

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 and do not include payments made on behalf of constituents.
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.
3. During the current year, the Company has made contributions amounting to Rs 10,151,000 to a Public Charitable Trust 'Globe Capital Foundation'. The objective of the Trust is to extend benefits to general public. During the current year, (i.e. year of incorporation) the trust has conducted various medical check-up camps in association with doctors/ medical institutions. The focus areas of the trust include medical and health services to the poor and needy, spreading financial literacy, steps to eradicating hunger and poverty etc.

Further, the Company during the current year has also made a contribution of Rs. 500,000 to Prime Minister's Relief Fund. The total contribution made towards Corporate Social Responsibility ('CSR') aggregating to Rs. 10.651,000 has been appropriated from the reserves (see Note 2.2) in accordance with the FAQ's on the provisions of CSR issued by the ICAI.



Globe Capital Market Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2015

(All amounts are in Indian Rupees)

2.27 In the opinion of the management, capital market activities comprising brokerage income earned on secondary market transactions done on behalf of clients, services rendered as depository participant and proprietary trading in securities and derivatives is considered as one reportable segment, as envisaged in Accounting Standard 17 'Segment Reporting' specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company.

The Company operates principally within India and does not have operations in economic environments with different risks and returns; hence, it is considered operating in single geographical segment.

2.28 Basic and diluted earnings per share

Description	For the year ended	For the year ended
	31 March 2015	31 March 2014
Net profits attributable to equity shareholders (A)	775,850,389	478,242,471
Number of equity shares outstanding at the beginning and at the end of the year (B)	32,812,500	32,812,500
Basic and diluted earnings per equity share of the face value of Rs. 10 each (C = A/B)	23.64	14.58

2.29 The Board of Directors had earlier decided to delist the Company's equity shares from the Delhi Stock Exchange ('DSE'). Pursuant to SEBI pronouncement on 'Non-Operational Stock Exchanges', DSE vide letter dated 29 September 2014 had sought Company's decision out of the options available. After evaluating the various options available and on receipt of a letter from DSE, the Company has forwarded them the information as was required for onward submission to the Dissemination Board of BSE.

2.30 Pursuant to the Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Company has revised depreciation rates on tangible fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act. As a result of this change, the depreciation charge for the year ended 31 March 2015 is higher by Rs. 4,100,734. In respect of assets whose useful life is already exhausted as on 1 April 2014, depreciation of Rs. 7,717,608 (net of deferred tax impact of Rs. 3,973,966) has been adjusted in Reserves and Surplus.



Globe Capital Market Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2015

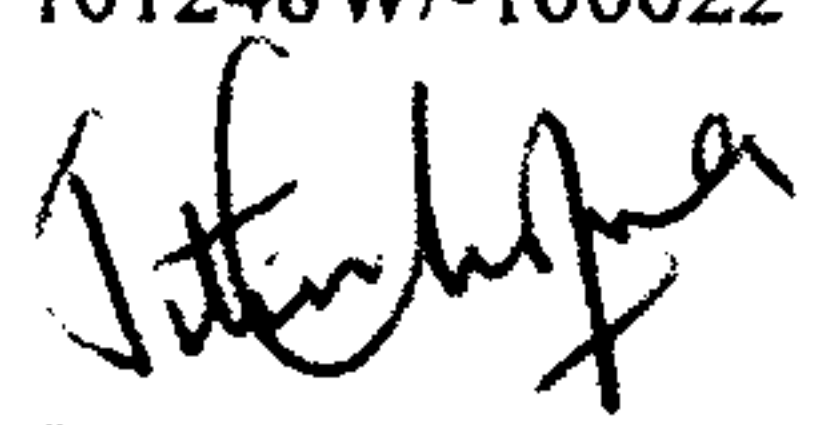
(All amounts are in Indian Rupees)

2.31 In the current year, the Company has revisited the grouping/ classification of margins given by the trading members directly to the stock exchanges to align it with the industry practice. These deposits placed directly with exchanges by the trading members (Rs. 375,627,228 as at 31 March 2015) were earlier grouped under "Short term loans and advances" (Note No. 2.16) and now have been netted -off with their corresponding margin accounts clubbed under "Other Current Liabilities" (Note No. 2.6). The corresponding amounts as at 31 March 2014 (Rs. 350,357.915) have been regrouped to make it comparable.

2.32 The Company has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and assessed that there are no long-term contracts (including derivative contracts) which could lead to material foreseeable losses.

As per our report of even date attached


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


Jiten Chopra
Partner
Membership No.: 092894

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


K.C. Gupta
Partner
Membership No.: 088638

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



Yashpal Mendiratta
Director
DIN: 00004185


Dhiraj Jaiswal
Company Secretary

Place: Gurgaon
Date: 28 April 2015

Place: New Delhi
Date: 28 April 2015

Place: New Delhi
Date: 28 April 2015


Ashok Kumar Agarwal
Director
DIN: 00003988


Manish Agrawal
Chief Financial Officer