

Globe Capital Market Limited
Consolidated Financial Statements
For the year ended 31 March 2019

INDEPENDENT AUDITORS' REPORT
To the Members of Globe Capital Market Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Globe Capital Market Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements" or "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Company's Annual Report, if, based on the work we have performed, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



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Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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 each company 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company 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 Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' 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 Auditors' report. However, future events or conditions may cause the Group (company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

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

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The results of all subsidiaries whose financial statements reflect total assets of Rs. 144,244.87 lakhs (previous year Rs.105,588.73 lakhs) as at 31 March 2019, total revenue (including other income) of Rs. 18,140.43 lakhs (previous year Rs. 15,022.64 lakhs), and cash outflows of Rs. 7,424.51 lakhs (previous year inflows Rs. 2,979.98 lakhs) 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.



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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. 1,946.38 lakhs (previous year Rs. 3,192.36 lakhs) as at 31 March 2019, total revenue (including other income) of Rs. 11.28 lakhs (previous year Rs. 19.69 lakhs), and net cash outflow amounting to Rs. 1,354.06 lakhs (previous year inflow of Rs. 849.65 lakhs) 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 the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- 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 of the aforesaid consolidated financial statements.
 - In our opinion, proper books of account as required by law relating to 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.
 - The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows 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.
 - In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - 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".



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- B. With respect to the other matters to be included in the Auditors' 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 and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group. Refer Note 34 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019;
 - iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company, or its subsidiary companies incorporated in India during the year ended 31 March 2019; and
 - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2019.
- C. With respect to the matter to be included in the Auditors' report under Section 197(16), in our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company, and its subsidiary incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by Holding Company, and its subsidiary incorporated in India is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Jiten Chopra
Partner
Membership No.: 092894



Place: Gurugram
Date: 29 April 2019

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

K. C. Gupta
Partner
Membership No.: 088638

Place: New Delhi
Date: 29 April 2019

Annexure A to the Independent Auditors' report of even date on the consolidated financial statements of Globe Capital Market Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph [A(f)] under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Globe Capital Market Limited (hereinafter referred to as "the Holding Company") and subsidiary companies which are incorporated in India (together referred to as "the Group"), as of that date.

In our opinion, the Group, has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note. 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.



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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the Auditors' judgement, including the assessment of the risks of material misstatement of the consolidated 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 of the relevant subsidiary companies 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 internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements 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 controls with reference to consolidated financial statements 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 consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



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Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to four subsidiary companies, which are incorporated in India, is based on the corresponding reports of the P.C. Bindal & Co.. B S R & Co. LLP has placed reliance on the audit reports furnished by management and our opinion on internal financial controls with reference to consolidated financial, and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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



Jiten Chopra
Partner
Membership No.: 092894



Place: Gurugram
Date: 29 April 2019

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



K.C. Gupta
Partner
Membership No.: 088638

Place: New Delhi
Date: 29 April 2019

Globe Capital Market Limited
Consolidated Balance Sheet as at 31 March 2019
(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

	Note	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Assets				
1 Financial assets				
(a) Cash and cash equivalents	3	6,805.56	11,025.09	7,814.68
(b) Bank balances other than cash equivalents above	4	126,198.64	96,242.16	75,434.55
(c) Derivative financial instruments	5	1,205.18	407.19	1,404.67
(d) Securities for trade	6 (a)	38,228.94	21,607.41	26,921.52
(e) Commodities for trade	6 (b)	4,811.40	2,519.47	3,374.34
(f) Receivables				
(i) Trade receivables	7 (a)	33,002.29	33,133.83	16,382.70
(ii) Other receivables	7 (b)	5.73	7,375.67	3.31
(g) Loans	8	73,384.22	54,768.86	44,294.40
(h) Investments	9	7,414.48	6,994.18	10,672.96
(i) Other financial assets	10	36,622.91	23,807.99	49,256.75
		327,679.35	257,881.85	235,559.88
2 Non-financial assets				
(a) Current tax assets (net)	19 (d)	870.11	577.64	652.26
(b) Property, plant and equipment	11	662.65	657.77	437.49
(c) Other intangible assets	11	-	-	-
(d) Other non-financial assets	12	1,518.02	1,490.61	1,305.02
		3,050.78	2,726.02	2,394.77
Total assets		330,730.13	260,607.87	237,954.65
Liabilities and equity				
Liabilities				
1 Financial liabilities				
(a) Derivative financial instruments	5	826.43	593.69	1,374.29
(b) Trade payables	13			
(i) total outstanding dues of micro enterprises and small enterprises		0.03	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		245.05	396.61	296.02
(c) Debt securities	14	10,441.51	9,439.78	9,854.16
(d) Borrowings (other than debt securities)	15	67,653.68	53,492.89	42,129.31
(e) Other financial liabilities	16	121,753.20	79,872.57	68,468.55
		200,919.90	143,795.54	122,122.33
2 Non-financial liabilities				
(a) Contract liabilities	17	102.66	104.30	65.82
(b) Current tax liabilities (net)	19 (d)	707.47	192.04	609.58
(c) Provisions	18	657.76	608.47	410.13
(d) Deferred tax liabilities (net)	19	1,582.09	1,519.71	2,276.86
(e) Other non-financial liabilities	20	645.62	600.77	601.64
		3,695.60	3,025.29	3,964.03
Total liabilities		204,615.50	146,820.83	126,086.36
3 Equity				
(a) Equity share capital	21A	2,625.00	2,625.00	2,911.25
(b) Other equity	21B	123,489.63	111,162.04	108,957.04
Total equity		126,114.63	113,787.04	111,868.29
Total liabilities and equity		330,730.13	260,607.87	237,954.65

Significant accounting policies and notes to the financial statements 2

The accompanying notes form an integral part of the consolidated 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: 29 April 2019

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

K. C. Gupta
Partner
Membership No.: 088638



Place: New Delhi
Date: 29 April 2019

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

Yashpal Mendiratta
Managing Director
DIN: 00004185

Dhruv Jaiswal
Company Secretary

Place: New Delhi
Date: 29 April 2019

Ashok Kumar Agarwal
Whole-time Director
DIN: 00003988

Amit Kumar Singhal
Chief Financial Officer

Globe Capital Market Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2019
(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from Operations			
(a) Interest income	22	27,734.77	24,101.17
(b) Dividend income		984.70	3,641.04
(c) Fee and commission income	23		
-Brokerage income		11,359.59	12,597.70
-Income from depository and portfolio management services		340.26	313.73
-Commission on distribution of financial products		28.45	6.76
(d) Income from trading in securities and commodities		4,018.79	3,387.81
(e) Net gain on fair value change	24	749.63	-
(I) Total revenue from operations		<u>45,216.19</u>	<u>44,048.21</u>
(II) Other income	25	180.97	39.03
(III) Total Income (I + II)		<u><u>45,397.16</u></u>	<u><u>44,087.24</u></u>
Expenses			
(a) Finance costs	26	11,679.19	8,090.03
(b) Net loss on fair value change	24	51.19	1,957.58
(c) Impairment on financial instruments	27	1,615.24	1,029.12
(d) Employee benefit expenses	28	5,525.65	5,629.21
(e) Depreciation, amortization and impairment	11	110.44	88.68
(f) Other expenses	29	8,741.23	8,548.64
(IV) Total expenses		<u>27,722.94</u>	<u>25,343.26</u>
(V) Profit before tax (III-IV)		<u>17,674.22</u>	<u>18,743.98</u>
(VI) Tax expense			
(a) Current income-tax	19 (b)	5,492.89	6,484.66
(b) Deferred tax charge/ (credit)	19 (c)	50.43	(731.40)
(c) Prior year tax adjustment	19 (b)	(3.68)	(7.96)
Total tax expenses		<u>5,539.64</u>	<u>5,745.31</u>
(VII) Profit after tax for the year (V-VI)		<u>12,134.58</u>	<u>12,998.67</u>
(VIII) Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
(i) Remeasurement of net defined benefit liability	33 (iv)	35.50	(73.91)
(ii) Gains and losses arising from translating the financial statements		169.46	9.12
(iii) Income tax relating to items that will not be reclassified to profit or loss		(11.95)	25.75
(b) Items that will be reclassified to profit or loss		-	-
Other comprehensive income/(loss)		<u>193.01</u>	<u>(39.04)</u>
(IX) Total comprehensive income for the year (VII+VIII)		<u>12,327.59</u>	<u>12,959.63</u>
(X) Earnings per share (par value Rs. 10 per share)			
Basic and diluted earnings per share (Rs.)		46.23	46.97

Significant accounting policies and notes to the financial statements 2

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For BSR & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-10002

Jiten Chopra
Partner
Membership No.: 092894



Place: Gurugram
Date: 29 April 2019

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

K. C. Gupta
Partner
Membership No.: 088638



Place: New Delhi
Date: 29 April 2019

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: 29 April 2019

Ashok Kumar Agarwal
Whole-time Director
DIN: 08003988

Amit Kumar Singhal
Chief Financial Officer

Globe Capital Market Limited
Consolidated statement of Cash Flows for the year ended 31 March 2019
(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flows from operating activities		
Profit before tax	17,674.22	18,743.98
Adjustments for		
Depreciation, amortisation and impairment	110.44	88.68
Impairment on financial instruments	1,615.24	1,029.12
Amortised borrowing costs (processing fee on loan)	164.99	(46.99)
Loss/ (Gain) on disposal of property plant and equipment	(0.96)	(1.44)
Provisions/ liabilities no longer required written-back	(113.43)	(4.84)
Unrealized loss/ (gain) in fair value of investments	(564.75)	1,034.39
Unrealized loss/ (gain) in fair value of securities for trade	(51.19)	(1,554.38)
Income on unwinding of discount on security deposits	(17.20)	(23.78)
Finance costs		
Interest on borrowings	9,351.52	6,304.83
Discount on issue of debt securities	1,505.46	966.47
Processing fee on term loans		
Change in operating assets and liabilities ,		
(Increase)/ decrease in loans	(19,874.15)	(11,268.50)
(Increase)/ decrease in other bank balances (refer note 2 below)	(29,956.48)	(20,807.61)
(Increase)/ decrease in derivative financial instruments (assets)	(797.99)	997.48
(Increase)/ decrease in trade receivables	(224.91)	(16,986.21)
(Increase)/ decrease in other receivables	7,369.94	(7,372.36)
(Increase)/ decrease in securities for trade	(16,570.34)	6,868.49
(Increase)/ decrease in other financial assets	(12,797.72)	25,472.54
(Increase)/ decrease in other non-financial assets	(27.41)	(185.59)
Increase/ (decrease) in derivative financial instruments (liabilities)	232.74	(780.60)
Increase/ (decrease) in trade payables	(151.53)	100.59
Increase/ (decrease) in provisions	84.79	124.43
Increase/ (decrease) in contract liabilities	(1.64)	38.48
Increase/ (decrease) in other non-financial liabilities	44.85	(0.87)
(Increase)/ (decrease) in other financial liabilities	41,994.06	11,408.86
Cash generated /(used in) from operations	(1,001.45)	14,145.17
Income taxes paid	(5,266.25)	(6,819.63)
Net cash inflow from operating activities (a)	(6,267.70)	7,325.54
Cash flows from investing activities		
Payments for property, plant and equipment	(232.08)	(310.61)
Payments for purchase of investments	(221.43)	(499.65)
Proceeds from sale of investments	365.88	3,144.04
Proceeds from sale of property , plant and equipment	117.72	3.09
Net cash inflow from/ (cash used in) investing activities (b)	30.09	2,336.87
Cash flows from financing activities		
Buyback of shares	-	(11,040.88)
Proceeds from debt securities	67,696.25	57,119.15
Repayment of debt securities	(68,200.00)	(58,500.00)
Proceeds from borrowings other than debt securities	34,989.33	30,690.64
Processing fee paid on borrowings	(17.50)	(242.50)
Repayment of borrowings other than debt securities	(32,909.85)	(21,575.33)
Interest paid	(9,351.52)	(6,304.83)
Net cash used in financing activities (c)	(7,793.29)	(9,853.75)
Adjustment on consolidation of subsidiaries/ step-subidiaries (d)	169.49	9.10
Net (decrease) in cash and cash equivalents (a+b+c+d)	(13,861.42)	(182.24)
Cash and cash equivalents at the beginning of the year	(13,427.28)	(13,245.04)
Cash and cash equivalents at the end of the year (refer note 3 below)	(27,288.70)	(13,427.28)



Notes

- 1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standards 7 - Statement of cash flows.
- 2 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.

3 *Reconciliation of cash and cash equivalents as per the statement of cash flows*

Cash and cash equivalents as per above comprise the following

Cash and cash equivalents	3	6,805.56	11,025.09
Bank overdrafts	15	(35,531.31)	(23,597.49)
		(28,725.75)	(12,572.40)

4 Refer note no 43 for change in liabilities arising from financing activities.

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-10002

Jiten Chopra
Jiten Chopra
Partner
Membership No.: 092894



Place: Gurugram
Date: 29 April 2019

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

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



Place: New Delhi
Date: 29 April 2019

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: 29 April 2019

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

Amit Kumar Singhal
Amit Kumar Singhal
Chief Financial Officer

Globe Capital Market Limited
 Consolidated Statement of changes in equity for the year ended 31 March 2019
 (All amounts are in Indian rupees in Lakhs, unless otherwise stated)

(a) Equity share capital

Particulars	No of shares (in Lakhs)	Amount
As at 1 April 2017	291.13	2,911.25
Changes in equity share capital during the year	(28.63)	(286.25)
As at 31 March 2018	262.50	2,625.00
Changes in equity share capital during the year	-	-
As at 31 March 2019	262.50	2,625.00

(b) Other equity

Particulars	Reserves and surplus						Items of OCI		Total
	Securities premium	General reserve	Reserve Fund (Statutory Reserve)	Retained earnings	Capital reserve	Capital redemption reserve	Remeasurements of net defined benefit plans	Foreign currency translation reserve (FCTR)	
As at 01 April 2017	2,169.25	29,000.00	2,755.80	71,616.26	430.57	2,504.87	9.69	470.59	108,957.04
Profit for the year	-	-	-	12,998.67	-	-	-	-	12,998.67
Other comprehensive income/ (loss)	-	-	-	-	-	-	(48.16)	9.12	(39.04)
Total comprehensive income	-	-	-	-	-	-	-	-	12,959.63
Addition during the year	-	-	-	-	-	286.25	-	-	286.25
Utilized during the year	(2,169.25)	(8,871.63)	-	-	-	-	-	-	(11,040.88)
Transferred to reserve	-	2,500.00	696.16	(3,296.16)	-	100.00	-	-	-
Balance as at 31 March 2018	-	22,628.37	3,451.96	81,318.77	430.57	2,891.12	(38.47)	479.71	111,162.04
Profit for the year	-	-	-	12,134.58	-	-	-	-	12,134.58
Other comprehensive income/ (loss)	-	-	-	-	-	-	23.55	169.46	193.02
Total comprehensive income	-	-	-	-	-	-	-	-	12,327.60
Transferred to general reserve	-	2,500.00	725.19	(3,225.20)	-	-	-	-	-
Balance as at 31 March 2019	-	25,128.37	4,177.15	90,228.15	430.57	2,891.12	(14.91)	649.18	123,489.63

Significant accounting policies and notes to the financial statements

2

The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date attached

For BSR & Co. LLP
 Chartered Accountants
 Firm Registration No.: A01248W/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.: 088038



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: 29 April 2019

Ashok Kumar Agarwal
 Whole-time Director
 DIN: 00003988

Amit Kumar Singhal
 Chief Financial Officer

Place: Gurugram
 Date: 29 April 2019

Place: New Delhi
 Date: 29 April 2019

Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

1. Corporate information

Globe Capital Market Limited ('the Company') is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in providing broking services, portfolio management services, clearing services and undertaking trading activities.

The registered office of the Group is situated at 609, Ansal Bhawan, 16 KG Marg, New Delhi – 110001.

The consolidated financial statements of the Group include results of Globe Capital Market Limited and the following subsidiaries/ step subsidiaries :

Name of the Company	Principal place of business	Principal activities	Relation	Percentage of shares held		
				31 March 2019	31 March 2018	1 April 2017
Globe Commodities Limited	804, Ansal Bhawan, 16 KG Marg, New Delhi - 110001	Broking services for commodities market and commodity trading activities.	Wholly owned subsidiary	100%	100%	100%
Globe Fincap Limited	609, Ansal Bhawan, 16 KG Marg, New Delhi - 110001	Providing lending services. It is a Non deposit taking non banking financial company (NBFC) as defined under section 45-IA of the Reserve Bank of India ('RBI') Act, 1934.	Wholly owned subsidiary	100%	100%	100%
Globe Derivatives and Securities Limited	Space No 11A, Saran Chamber 2, 5 Park Road, Lucknow (UP) - 226001	Undertaking securities and commodity trading activities.	Wholly owned subsidiary	100%	100%	100%
Globe Capital (IFSC) Limited	Unit No 223, 2 nd Floor, Signature Building, Block -13, Road 1C, Zone 1, GIFT SEZ GIFT City, Gandhinagar, Gujarat - 382255	Providing broking services and undertaking trading activities.	Wholly owned subsidiary	100%	100%	100%



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

Globe Comex (DMCC) Limited	Unit no 20-10-20, Jewellery & Gemplex 2, Plot No DMCC-PH2-J&GplexS, Jewellery & Gemplex, Dubai, UAE	Broking services for commodities market and commodity trading activities.	Step subsidiary company	100% subsidiary of Globe Commodities Limited	100% subsidiary of Globe Commodities Limited	100% subsidiary of Globe Commodities Limited
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2. Significant accounting policies**2.1 Basis of preparation and measurement**

In accordance with the notification issues by the Ministry of Corporate Affairs, with effect from 1 April 2018 the Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. Previous period numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 – First Time Adoption of Indian Accounting Standard, the Group has presented a reconciliation of the financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of shareholders' equity as at 31 March 2018 and 1 April 2017 being the transition date and of the total comprehensive income for the year ended 31 March 2018.

These financial statements have been prepared in accordance with Ind AS 1 – Presentation of Financial Statements as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

Accounting policies have been consistently applied except where newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These financial statements are the Group's first Ind AS consolidated financial statements. The Group's financial statements are presented in Indian Rupees, which is also its functional currency and values are rounded to nearest lakhs, except when otherwise indicated.

The consolidated financial statements for the year ended 31 March 2019 are being authorised for issue in accordance with a resolution of directors on 29 April 2019.

Basis of consolidation

The subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-Group transactions, balances and unrealised gains on transactions between entities within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

2.2 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the income and expense for the reporting period. The actual results could differ from these estimates. Estimates and underlying

assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The Group makes certain judgments and estimates for valuation and impairment of financial instruments, useful life of property, plant and equipment, deferred tax assets and retirement benefit obligations. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

2.3 Significant accounting policies

2.3.1 Property, plant and equipment

Measurement at recognition:

Property plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount.

All property, plant and equipment are initially recorded at cost. Cost comprises acquisition cost, borrowing cost if capitalization criteria are met, and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefit associated with these will flow with the Group and the cost of the item can be measured reliably.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is provided on straight-line basis over the estimated useful life as prescribed in Schedule II of the Companies Act, 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

2.3.2 Intangible assets

Measurement at recognition:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization.

Development expenditure on software is capitalized as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise it is recognized in the profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortization and any accumulated impairment losses.

Amortization

The Group amortizes computer software using the straight line method over the period of 5 years. The appropriateness of amortization is reviewed by management in each financial year.



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

2.3.3 Revenue recognition

Revenue (other than for those items to which Ind AS 109: Financial Instruments) is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of goods and services tax (GST) and amount collected on behalf of third parties.

Specific policies for the Group's different sources of income are explained below

2.3.3.1 Brokerage fee income and fee from depository and portfolio management services

- Brokerage fee: Brokerage income in relation to stock broking activity is recognized on a trade date basis.
- Income from depository services Income is recognized over the period of contract and as per the terms of the agreement with the customers.
- Income from portfolio management service: Income is recognised as per the terms of the agreements with the customers.
- Commission on distribution of financial products: Income is recognised as per the terms of the agreements with the customers.

2.3.3.2 Dividend income

Dividend income is recognized when the Group's right to receive the payment is established.

2.3.3.3 Trading income

Income from trading in securities, derivatives and arbitrage comprises profit/ loss on sale of Securities and commodities for trade and profit / loss on equity and derivatives instruments. Profit/ loss on sale of securities are determined based on the First-in-First-Out ('FIFO') cost of the securities sold and is accounted for on the trade date of transaction.

Profit / loss on equity and other derivatives transaction is accounted for as explained below:-

Equity index and derivatives

- (1) 'Initial Margin' represents 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.
- (2) Equity index/stock futures are marked to market on a daily basis. Debit or credit balance disclosed under Other Financial Assets In the Mark to Market margin - 'Equity Index / Stock Future 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 position in index/stock, commodity futures are accounted for as follows:
 - (a) 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.
 - (b) 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.



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

2.3.3.4 Income on financial assets subsequently measured at amortized cost, is recognized using Effective Interest Rate method (EIR).

2.3.3.5 Interest income

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost, debt instrument measured at Fair value through other comprehensive Income (FVOCI) and debt instruments designated at Fair value through profit & loss (FVTPL). The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognizes the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments charges (if any), penalty interest and charges).

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

2.3.3.6 Other income and expenses are accounted for on accrual basis, in accordance with the terms of the respective contract.

2.3.3.7 Recovery from written off accounts is accounted for as income when actually received.

2.3.4 Financial instruments

The Group recognizes all the financial assets and liabilities at its fair value on initial recognition; In the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset are added to the fair value on initial recognition. The financial assets are accounted on a trade date basis.

For subsequent measurement, financial assets are categorised into:

Amortised cost: The Group classifies the financial assets at amortised cost if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the assets are held under a business model to collect contractual cash flows. The gains and losses resulting from fluctuations in fair value are not recognised for financial assets classified in amortised cost measurement category.

Fair value through other comprehensive income (FVOCI): The Group classifies the financial assets as FVOCI if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the Group's business model is achieved by both collecting contractual cash flow and selling financial assets. In case of debt instruments measured at FVOCI, changes in fair value are recognised in other comprehensive income. The impairment gains or losses, foreign exchange gains or losses and interest calculated using the effective interest method is recognised in profit or loss. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is re-classified from equity to profit or loss as a reclassification adjustment. In case of equity instruments irrevocably designated at FVOCI, gains/ losses including relating to foreign exchange are recognised through other comprehensive income. Further, cumulative gains or losses previously recognised in other comprehensive income remain permanently in equity and are not subsequently transferred to profit or loss on derecognition.

Fair value through profit or loss (FVTPL): The financial assets are classified as FVTPL if these do not meet the criteria for classifying at amortised cost or FVOCI. Further, in certain cases to eliminate or significantly reduce a measurement or recognition inconsistency (accounting mismatch), the Group irrevocably designates certain financial instruments at FVTPL at initial recognition. In case of financial assets measured at FVTPL, changes in fair value are recognised in profit or loss.



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

Profit or loss on sale of investments is determined on the basis of first-in-first-out (FIFO) basis.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1: quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (e.g. as prices) or indirectly (e.g. derived from the prices).

Level 3: inputs for the current assets or liability that are not based on observable market data (unobservable inputs).

Based on the Group's business model for managing the investments, the Group has classified its investments and Securities and commodities for trade at FVTPL. Investment in equity shares of subsidiaries is carried at deemed cost (previous GAAP carrying amount) as per Ind AS 27.

Financial liabilities are carried at amortised cost using the effective interest rate method. For trade and other payables the carrying amount approximates the fair value due to short maturity of these instruments.

Impairment of financial assets: In accordance with Ind AS 109, the Group applies expected credit loss model (ECL) for measurement and recognition of impairment loss.

Trade receivables

The Group recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. At each reporting date, the Group assesses whether the receivables have been impaired. The Group is exposed to credit risk when the customer defaults on his contractual obligations. For the computation of ECL, the receivables are classified into three stages based on the default and the aging of the outstanding.

If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back by reducing the loan impairment allowance account accordingly. The write-back is recognised in the statement of profit and loss.

The Group recognises life time expected credit loss for trade receivables and has adopted the simplified method of computation as per Ind AS 109. As a practical expedient, the Group uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The Group considers outstanding overdue for more than 90 days for calculation of expected credit loss and incremental impairment loss based on management's assessments.

Loans

The Group measures ECL on loan assets at an amount equal to life time expected credit loss if there is credit impairment or there has been significant increase in credit risk since initial recognition. If there is no significant increase in credit risk, the company measures ECL at an amount equal to 12 months ECL. When making the assessment of whether there has been significant increase on initial recognition, the company considers reasonable and supportable information that is available without undue cost or effort. If the company measures loss allowance as lifetime ECL in the previous periods, but determines in a subsequent period that there has been no significant increase in credit risk since initial recognition due to improvement in credit quality, the company again measures the loss allowance based on 12-months ECL.



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Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

ECL is measured on individual basis for credit impaired loan assets, and on other loan assets it is generally measured on collective basis using homogenous Company.

The Impairment losses and reversals are recognized in Statement of Profit and loss.

2.3.5 Borrowings

Borrowings are initially recognized at net of transaction costs incurred and measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

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 Instruments. The liability as at Balance Sheet date in respect of such instruments is recognized at face value net of unamortized discount.

2.3.6 Provisions

Provision is recognized when an enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at the balance sheet date and adjusted to reflect the current management estimates.

2.3.7 Contingent liabilities and assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability. The existence of a contingent liability is disclosed in the notes to the financial statements. Contingent assets are neither recognised nor disclosed.

2.3.8 Employee Benefits

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid within twelve months in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

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

Defined Contribution Plans

Contribution to Provident fund is a defined contribution plan. The Group is statutorily required to contribute a specified portion of the basic salary of an employee to a provident fund as part of retirement benefits to its employees. 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 Plans

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 Group. 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 (PUC) Method. Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income. Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs.



52



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

2.3.9 Securities and commodities for trade

Inventories of securities and commodities are classified as financial assets in accordance with standard on Financial Instruments, hence recognized and measured at fair value (FVTPL) with the corresponding debit/ credit in statement of profit and loss.

2.3.10 Impairment of non-financial Assets

The Group assesses at the reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to

Their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognised in statement of profit and loss.

2.3.11 Derivative financial instruments

Derivatives financial Instrument such as forward contracts, future contracts are initially recognized at fair value on the date a derivatives contract is entered into and subsequently re-measured at fair value with changes in fair value recognized in statement of profit and loss account.

2.3.12 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, cash at bank, bank overdrafts and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.3.13 Borrowing costs

Borrowing costs include interest expense as per the effective interest rate (EIR) and other costs incurred by the Group in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are recognized as an expense in the year in which they are incurred. The difference between the discounted amount mobilized and redemption value of commercial papers is recognized in the statement of profit and loss over the life of the instrument using the EIR.

2.3.14 Operating leases

Lease arrangements where the risk and rewards incidental to ownership of an assets substantially vest with the lessor, are recognized as operating lease.

Operating lease payments are recognised on as straight line basis over the lease term in the statement of profit and loss, unless the lease payments to the lessor are structured to increase in line with expected general inflation.

2.3.15 Income taxes

The income tax expense comprises current and deferred tax incurred by the Group. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity or OCI, in which case the tax effect is recognized in equity or OCI. Income tax payable on profits is based on the applicable tax laws in each tax jurisdiction and is recognised as an expense in the period in which profit arises.



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Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

Current income tax

Current tax is the expected tax payable/receivable on the taxable income/ loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts for tax purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized, for all deductible temporary differences, to the extent it is probable that future taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The tax effects of income tax losses, available for carry forward, are recognized as deferred tax asset, when it is probable that future taxable profits will be available against which these losses can be set-off.

Additional taxes that arise from the distribution of dividends by the Group are recognized directly in equity at the same time as the liability to pay the related dividend is recognized.

2.3.16 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.3.17 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The Board of Directors of the Holding Company has been identified as the CODM as defined as the CODM as defined by IndAS 108 Operating segments, who assesses the financial performance and position of the Group and makes strategic decisions. Operating segments identified by the Group companies comprise as under :

- Capital markets.
- Financing activities

The accounting policies consistently used in the preparation of the financial statements are also applied to item of revenue and expenditure in individual segments. Revenue and expenses which relate to enterprises as a whole are not applicable to a segment on a reasonable basis have been disclosed as 'unallocated'. Segment assets and segment liabilities in respective segments. Tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as 'unallocated'.



Globe Capital Market Limited
Notes to the Consolidated financial statements for the year ended 31 March 2019
(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Cash and cash equivalents			
Cash on hand			
Balances with banks:	6.53	1.84	6.25
- in current accounts			
- in deposit accounts (with an original maturity of less than 3 months)	6,799.03 (0.00)	11,023.25	7,708.43 100.00
	6,805.56	11,025.09	7,814.68
Bank balances other than cash and cash equivalents above			
Bank deposits (with maturity between three to twelve months) *			
- placed under lien with banks			
- pledged with the clearing corporations and exchanges and others as margin	63,052.25	64,114.75	50,233.00
- deposits in hand	61,546.94	27,322.22	23,074.55
	1,599.45	4,805.19	2,127.00
	126,198.64	96,242.16	75,434.55

Fixed deposit with banks earn interest at fixed rate based on daily bank deposit rates.

*excludes bank deposits given to exchanges by constituents as margins, on their behalf amounting to Rs. 95,568.58 Lakhs (31 March 2018 Rs. 71,126.73 Lakhs; 1 April 2017 Rs. 8,838.77 Lakhs)

Derivative financial instruments

Particulars as at 31 March 2019	Notional amount		Fair value assets		Notional amount		Fair value liabilities	
Currency derivatives								
Futures								
Options								
Subtotal (A)	5,844.80	135.90	5,557.44	150.98	1,108.53	141.15	1,335.65	116.18
	6,953.33	277.05	6,893.09	267.16				
Equity linked derivatives								
Futures								
Options								
Subtotal (B)	20,844.96	510.82	16,119.33	279.71	27.46	15.66	38.77	11.06
	20,872.42	526.48	16,158.10	290.77				
Commodity derivatives								
Futures								
Subtotal (C)	16,454.94	401.65	17,044.24	268.50	16,454.94	401.65	17,044.24	268.50
	44,280.69	1,205.18	40,095.43	826.43				
Total derivatives (A+B+C)								
Particulars as at 31 March 2018								
Currency derivatives								
Futures								
Options								
Subtotal (D)	6,275.95	80.86	18,980.04	112.06	778.40	39.33	109.61	8.12
	7,054.35	120.19	19,089.65	120.18				
Equity linked derivatives								
Futures								
Options								
Subtotal (E)	11,259.88	174.80	20,239.05	366.08	60.68	38.60	149.90	62.84
	11,320.56	213.40	20,388.95	428.92				
Commodity derivatives								
Futures								
Subtotal (F)	3,865.10	73.60	3,803.94	44.59	3,865.10	73.60	3,803.94	44.59
	22,240.01	407.19	43,282.54	593.69				
Total derivatives (D+E+F)								
Particulars as at 1 April 2017								
Currency derivatives								
Futures								
Options								
Subtotal (G)	62,677.32	469.97	12,587.32	192.26	1,057.83	160.29	1,440.03	582.13
	63,735.15	630.26	14,027.35	774.39				
Equity linked derivatives								
Futures								
Options								
Subtotal (H)	41,080.57	643.56	40,016.50	533.91	93.17	10.67	108.19	14.31
	41,173.74	654.23	40,124.69	548.22				
Commodity derivatives								
Futures								
Subtotal (I)	3,704.90	120.18	2,701.08	51.68	3,704.90	120.18	2,701.08	51.68
	108,613.79	1,404.67	56,853.12	1,374.29				

Note :

- The derivatives are used for the purpose of trading.
- Refer note no 38 for management of risk arising from derivatives.



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Globe Capital Market Limited
Notes to the Consolidated financial statements for the year ended 31 March 2019
(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Securities for trade (Measured at Fair value through profit or loss)			
Equity shares	37,158.86	21,117.86	22,326.29
Debtentures	778.24	-	-
Bonds	54.55	-	-
Government securities	28.83	35.65	36.30
Preference shares	-	230.09	280.27
Mutual funds	208.46	223.81	4,278.66
	38,228.94	21,607.41	26,921.52
Commodities for trade (Measured at Fair value through profit or loss)			
Commodities for trade	4,811.40	2,519.47	3,374.34
	4,811.40	2,519.47	3,374.34
Receivables			
Trade receivables	32,990.41	33,120.73	16,382.70
Receivables from related parties	11.88	13.11	-
	33,002.29	33,133.84	16,382.70
Break-up-of :			
Receivables considered good - secured	31,032.75	27,734.45	15,201.44
Receivables considered good - unsecured	1,969.54	5,399.38	1,181.26
Receivables- credit impaired	454.90	235.08	1.85
	33,457.19	33,368.91	16,384.55
Less : Allowance for impairment loss	454.90	235.08	1.85
Trade receivables (net)	33,002.29	33,133.83	16,382.70
No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner.			
Other Receivables			
Other receivables*	1.94	7,381.26	22.41
Receivables from related parties	5.73	-	-
	7.67	7,381.26	22.41
Break-up-of :			
Receivables considered good - Secured	-	7,375.67	-
Receivables considered good - Unsecured	5.73	-	3.31
Receivables- credit impaired	-	-	-
	5.73	7,375.67	3.31
Allowance for impairment loss	-	-	-
Other Receivable (net)	5.73	7,375.67	3.31

* 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
Notes to the Consolidated financial statements for the year ended 31 March 2019
(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Loans			
Carried at amortized cost			
(a) Term loans			
(b) Loan repayable on demand	71,780.35	53,205.96	44,670.37
Loan to related parties	2,718.68	2,516.18	-
Less: Unamortised transaction costs	103.07	127.79	42.85
Total (A) Gross	74,395.96	55,594.35	44,627.52
Less: Impairment loss allowance	1,011.74	825.49	333.12
Total (A) Net	73,384.22	54,768.86	44,294.40
Secured by tangible assets	69,924.88	50,522.82	43,200.69
Secured by intangible assets	-	-	-
Unsecured	3,459.34	4,246.04	1,093.71
Total (I) Gross	73,384.22	54,768.86	44,294.40
Less: Impairment loss allowance	1,011.74	825.49	333.12
Total (I) Net	72,372.48	53,943.37	43,961.28
(II) (a) Loans in India			
Public sector	-	-	-
Others	-	-	-
Total (II) (a) Gross	72,372.48	53,943.37	43,961.28
Less: Impairment loss allowance	1,011.74	825.49	333.12
Total (II) (a) Net	71,360.74	53,117.88	43,628.16
(b) Loans outside India			
Public sector	-	-	-
Others	-	-	-
Total (II) (b) Gross	-	-	-
Less: Impairment loss allowance	-	-	-
Total (II) (b) Net	-	-	-
Total II (a+b) Net	71,360.74	53,117.88	43,628.16
At fair value through other comprehensive income	-	-	-
C At fair value through profit or loss	-	-	-
At fair value designated at fair value through profit or loss	-	-	-
Total (A+B+C+D)	73,384.22	54,768.86	44,294.40



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Globe Capital Market Limited

Notes to the Consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Investments			
At fair value through profit or loss			
(i) Investment in India			
<i>Equity instruments:</i>			
Canara Bank			
Hcl Infosystems Limited	0.52	0.47	7.15
Kothari Products Limited	0.86	2.29	-
Elantas Beck India Limited	12.13	21.61	37.28
Jayshree Chemicals Limited	1,420.86	1,211.29	1,158.12
Lakshmi Vilas Bank	7.44	12.34	14.73
Max Ventures & Industries Limited	0.03	0.05	-
Murudeshwar Ceramics Limited	10.61	6.81	-
Shalimar Paints Limited	4.23	6.47	24.11
Sumeet Industries Limited	24.79	-	-
Kanpur Plastipack Limited	0.01	0.04	-
Tata Steel Limited	0.03	0.02	-
Thejo Engineering Limited	6.37	0.78	-
Karnataka Bank Limited	-	-	1.27
Narayana Hrudayalaya Limited	0.07	0.07	0.08
VIP Clothing Limited	14.09	18.50	20.79
Rural Electrification Corporation Limited	0.08	0.22	-
Goodyear India Limited	3,959.92	3,229.57	6,620.75
Deccan Gold Mine Limited	1,096.61	1,312.81	1,148.56
Bombay Burmah Trading Corporation	91.37	105.70	148.07
Castrol India Limited	260.48	234.16	690.37
Sintex Plastic Industries Limited	199.68	245.88	259.44
Sintex Industries Limited	2.75	7.93	-
East India Hotels Limited	1.16	2.47	14.57
Bharat NRE Coke Limited	1.43	1.10	0.84
Tamilnadu Mercantile Bank Limited	0.07	0.07	0.07
Piramal Enterprises Limited	103.42	74.87	70.90
Intellect Design Arena Limited	2.24	1.98	-
The South Indian Bank Limited	0.23	0.18	-
	0.86	1.18	0.38
<i>Preference instruments</i>			
0.01% JSW Steel Ltd.			
	162.18	467.55	425.05
<i>Debt instruments</i>			
Sovereign gold bonds			
Religare Finvest Limited	29.96	27.67	27.75
	-	0.10	2.68
Total Gross	7,414.48	6,994.18	10,672.96
Less : Impairment loss allowance	-	-	-
Total Net	7,414.48	6,994.18	10,672.96
(ii) At fair value through other comprehensive income	-	-	-
(C) At amortised cost	-	-	-
At fair value designated at fair value through profit or loss	-	-	-
Total (A+B+C+D)	7,414.48	6,994.18	10,672.96
Other financial assets			
(Unsecured, considered good. Measured at amortized cost)			
Bank deposits with maturity more than twelve months			
- placed under lien with banks			
- pledged with the clearing corporations and stock exchanges and others as margin	4,460.00	10,255.00	5,028.99
- deposits in hand	11,728.53	6,804.79	5,514.39
	400.00	1,447.99	4,243.05
Security held against advances			
Receivable from exchanges	949.50	275.83	577.50
Margins/ deposit with stock exchanges*	3,356.87	449.38	29,704.75
Other security deposits	13,630.03	2,589.12	2,767.88
Interest accrued	265.68	550.14	441.26
Dividend receivable	1,656.26	1,186.68	764.59
Accrued income on portfolio management services	9.95	37.71	9.30
Others	25.31	10.90	6.79
	140.78	200.45	198.25
	36,622.91	23,807.99	49,256.75

* excludes security deposits given to exchanges by constituents, as margins, on their behalf amounting to Rs. 5,837.78 Lakhs (31 March 2018 Rs. 5,904.53 Lakhs; 1 April 2017 Rs. 5,656.82 Lakhs)



36



11 Property, plant and equipments and other intangible assets

Particulars	Property, plant and equipment					Intangible assets	
	Building	Furniture and fixtures	Computers	Office equipments	Vehicles	Total	Software
Cost as at 1 April 2017	152.07	47.87	792.60	181.65	275.13	1,449.32	-
Addition during the year	-	5.07	10.02	23.44	272.08	310.61	62.75
Deletion during the year	-	(2.30)	(4.42)	(14.14)	(13.37)	(34.23)	-
As at 31 March 2018	152.07	50.64	798.20	190.95	533.84	1,725.70	62.75
Addition during the year	25.66	18.27	101.32	12.32	74.51	232.08	-
Deletion during the year	-	(4.06)	(1.06)	(2.15)	(121.53)	(128.80)	-
As at 31 March 2019	177.73	64.85	898.46	201.12	486.82	1,828.98	62.75
Accumulated Depreciation							
As at 1 April 2017	10.62	31.65	720.09	140.89	108.58	1,011.83	62.75
Charge during the year	2.54	3.54	22.78	17.26	42.56	88.68	-
Disposals / adjustments	-	(2.24)	(4.11)	(12.88)	(13.35)	(32.58)	-
As at 31 March 2018	13.16	32.95	738.76	145.27	137.79	1,067.93	62.75
Charge during the year	2.81	4.92	28.84	17.48	56.39	110.44	-
Disposals / adjustments	-	(2.77)	(1.06)	(2.13)	(6.08)	(12.04)	-
As at 31 March 2019	15.97	35.10	766.54	160.62	-	1,166.33	62.75
Net Block Value							
As at 1 April 2017	141.45	16.23	72.51	40.76	166.55	437.49	-
As at 31 March 2018	138.91	17.69	59.44	45.68	396.05	657.77	-
As at 31 March 2019	161.76	29.75	131.92	40.50	486.82	662.65	-

Other non-financial assets

Capital advances
Other advances

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Capital advances	996.00	998.00	1,000.00
Other advances	522.02	492.61	305.02
Total	1,518.02	1,490.61	1,305.02

Trade payables

total outstanding dues of micro enterprises and small enterprises
total outstanding dues of creditors other than micro enterprises and small enterprises
Total

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
total outstanding dues of micro enterprises and small enterprises	0.03	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	245.05	396.61	296.02
Total	245.08	396.61	296.02

There are no micro, small and medium enterprises, to which the Company owes dues, as at 31 March 2019. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 that has been determined to the extent such parties have been identified on the basis of information available with the Company.

14 Debt securities

(Measured at amortized cost)

Commercial paper (Unsecured)

Total

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Commercial paper (Unsecured)	10,441.51	9,439.78	9,854.16
Total	10,441.51	9,439.78	9,854.16

B At fair value through other comprehensive income

At fair value through profit or loss

At fair value designated at fair value through profit or loss

Debt securities in India

Debt securities in Outside India

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Debt securities in India	10,441.51	9,439.78	9,854.16
Debt securities in Outside India	-	-	-
Total	10,441.51	9,439.78	9,854.16

Redemption terms of Commercial Paper

Particulars	Date of Redemption	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
9.75% HDFC Bank (INE081J14859)	16 April 2019	2,200.00	-	-
9.75% HDFC Bank (INE081J14842)	18 April 2019	2,600.00	-	-
9.75% HDFC Bank (INE081J14834)	23 April 2019	2,600.00	-	-
9.75% HDFC Bank (INE081J14826)	26 April 2019	2,600.00	-	-
8.00% HDFC Bank (INE081J14644)	7 June 2018	2,600.00	-	-
8.50% HDFC Bank (INE081J14651) issued on 19 March 2018	14 June 2018	-	2,600.00	-
8.50% HDFC Bank (INE081J14651) issued on 21 March 2018	14 June 2018	-	2,600.00	-
8.50% HDFC Bank (INE081J14669)	25 June 2018	-	2,600.00	-
8.00% HDFC Bank (INE081J14446)	26 May 2017	-	1,800.00	-
8.00% HDFC Bank (INE081J14461)	7 June 2017	-	-	2,500.00
8.00% HDFC Bank (INE081J14453)	13 June 2017	-	-	2,400.00
8.00% HDFC Bank (INE081J14479)	16 June 2017	-	-	2,600.00
9.45% Zoro Astrian Co-Operation Bank Limited (IN301549)	15 May 2019	-	-	2,500.00
		500.00	-	-
		10,500.00	9,600.00	10,000.00
Less : Discount on issue of commercial papers		58.49	160.22	145.84
Total		10,441.51	9,439.78	9,854.16



	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Borrowings (other than debt securities) (Measured at amortized cost)			
(a) Term loans			
-From bank (secured) ¹			
- From others (secured) ²	6,583.33	8,430.98	9,000.00
Total (a)	11,033.37	18,649.67	11,207.50
(b) Other loans			
-Loans repayable on demand (secured) ³			
-Bank overdrafts (secured) ⁴	9,296.50	1,596.50	-
-Inter-corporate deposits from related party (unsecured) ⁵	35,531.31	23,597.49	21,059.72
-Inter-corporate deposits from others (unsecured) ⁶	-	-	5.00
Total (b)	5,463.46	1,637.52	1,229.37
Total borrowings (a+b)	50,291.27	26,831.51	22,294.09
Less: Unamortized transaction cost	67,907.97	53,912.16	42,501.59
	(254.29)	(419.27)	(372.28)
Borrowing (other than debt securities) in India	67,653.68	53,492.89	42,129.31
Borrowing (other than debt securities) outside India	67,653.68	53,492.89	42,129.31

Nature of Security and terms of repayment for term loan:-

Secured by first pari-passu charge over receivables of the Company, also pledged by part shares held by the Company, also personal guarantee has been given by two directors.

Secured by pledge of part of total share capital of the Company, also personal guarantee has been given by two directors.

³ Rs. 5,866.50 Lakhs (31 March 2018 Rs. 1,596.50 Lakhs; 1 April 2017 Rs. Nil) is secured against fixed deposits pledged. Also personal guarantee has been given by two directors, interest rate varies from 8.10% to 8.90% p.a. (31 March 2018 8.15% to 8.35% p.a. 1 April 2017 Rs. Nil). Rs. 930 Lakhs (31 March 2018 and 1 April 2017 Rs. Nil) is secured against all current assets (excluding specifically earmarked for others). Also personal guarantee has been given by two directors, interest rate varies from 8.95% to 9.20% p.a. (31 March 2018 and 1 April 2017 Rs. Nil). Rs. 2,500 Lakhs (31 March 2018 and 1 April 2017 Rs. Nil) is secured against receivables of the Company, interest rate varies from 8.50% to 9.25% (31 March 2018 and 1 April 2017 Rs. Nil)

⁴ Rs. 25,343.87 Lakhs (31 March 2018 Rs. 23,597.49 Lakhs; 1 April 2017 Rs. 21,059.72 Lakhs) are secured against fixed deposits pledged, interest rate varies from 7.25% to 8.20% p.a. (31 March 2018 6.95% p.a. to 8.00% p.a.; 1 April 2017 8.25% p.a. to 9.25% p.a.). Rs. 9,987.44 Lakhs is secured against all current assets (excluding specifically earmarked for others), interest rate varies from 9.05% to 9.65% p.a. (31 March 2018 9.35% p.a.; 1 April 2017 9.35% p.a.)

⁵ Interest rate on loan varies from 8.50% to 12.50% p.a.

⁶ Interest rate on loan varies from 8.50% to 12.50% p.a. (31 March 2018 8.50% to 12.50% p.a.; 31 March 2017 8.50% to 12.50% p.a.)

Following are the details of certain pertinent terms and conditions of the borrowings:
Term loans and other loans

As at 31 March 2019

Lender Name	Facility	Amount outstanding	Interest Rate	Repayment Terms			Interest Payment terms
				Installments	Periodicity	Start date	Periodicity
ICICI Bank	Floating term loan	3,500.00	9.10% to 10.00%	20	Quarterly	31 December 2016	Monthly
Kotak Mahindra Investments Limited	Fixed term loan	2,187.50	9.25%	16	Quarterly	4 February 2017	Monthly
Kotak Mahindra Investments Limited	Fixed term loan	4,848.82	8.00%	20	Quarterly	25 December 2017	Monthly
ICICI Bank	Floating term loan	250.00	9.00% to 9.45%	20	Quarterly	31 December 2016	Monthly
ICICI Bank	Floating term loan	1,250.00	9.10% to 9.45%	20	Quarterly	31 December 2016	Monthly
RBL Bank Limited	Floating term loan	750.00	9.50% to 9.90%	8	Quarterly	30 June 2018	Monthly
HDFC Bank Limited	Floating term loan	833.32	8.60% to 9.20%	36	Quarterly	31 December 2017	Monthly
Tourism Finance Corporation of India	Floating term loan	2,344.00	11.25% to 11.45%	48	Quarterly	15 January 2019	Monthly
Kotak Mahindra Investments Limited	Floating term loan	1,653.05	8.80% to 10.50%	60	Quarterly	3 June 2014	Monthly

As at 31 March 2018

Lender Name	Facility	Amount outstanding	Interest Rate	Repayment Terms			Interest Payment terms
				Installments	Periodicity	Start date	Periodicity
ICICI Bank	Floating term loan	4,900.00	9.10% to 10.00%	20	Quarterly	31 December 2016	Monthly
Kotak Mahindra Investments Limited	Fixed term loan	3,437.50	9.25%	16	Quarterly	4 February 2017	Monthly
Kotak Mahindra Investments Limited	Fixed term loan	5,912.17	8.00%	20	Quarterly	25 December 2017	Monthly
ICICI Bank	Floating term loan	350.00	9.00% to 9.45%	20	Quarterly	31 December 2016	Monthly
ICICI Bank	Floating term loan	1,750.00	9.10% to 9.45%	20	Quarterly	31 December 2016	Monthly
HDFC Bank Limited	Floating term loan	1,333.32	8.60% to 9.20%	36	Quarterly	31 December 2016	Monthly
Bajaj Finance Limited	Floating term loan	5,000.00	8.60% to 9.00%	36	Quarterly	10 October 2015	Monthly
HDFC Bank Limited	Car Loan	97.66	7.75%	60	Monthly	1 March 2018	Monthly
Tourism Finance Corporation of India	Floating term loan	2,500.00	11.25% to 11.45%	48	Quarterly	15 January 2019	Monthly
Kotak Mahindra Investments Limited	Floating term loan	1,800.00	8.80% to 10.50%	60	Quarterly	3 June 2014	Monthly

As at 1 April 2017

Lender Name	Facility	Amount outstanding	Interest Rate	Repayment Terms			Interest Payment terms
				Installments	Periodicity	Start date	Periodicity
ICICI Bank	Floating term loan	6,300.00	9.10% to 10.00%	20	Quarterly	31 December 2016	Monthly
Kotak Mahindra Investments Limited	Fixed term loan	4,687.50	9.25%	16	Quarterly	4 February 2017	Monthly
ICICI Bank	Floating term loan	450.00	9.00% to 9.45%	20	Quarterly	31 December 2016	Monthly
ICICI Bank	Floating term loan	2,250.00	9.10% to 9.45%	20	Quarterly	31 December 2016	Monthly
Bajaj Finance Limited	Floating term loan	4,500.00	9.25% to 10.50%	36	Quarterly	10 October 2015	Monthly
Aditya Birla Finance Limited	Floating term loan	1,600.00	9.00% to 10.25%	36	Monthly	9 November 2017	Monthly
Kotak Mahindra Investments Limited	Floating term loan	420.00	8.80% to 10.50%	60	Quarterly	3 June 2014	Monthly



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Globe Capital Market Limited
Notes to the Consolidated financial statements for the year ended 31 March 2019
 (All amounts are in Indian rupees in Lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
16 Other financial liabilities			
(Measured at amortized cost)			
Advances/ margin money received from:			
Related parties	130.89	1.40	3,319.36
Others	88,714.98	67,344.33	61,785.94
Salary, bonus and other employee payables	1,117.82	565.95	744.35
Payable to exchanges	28,689.24	11,831.15	2,502.91
Payable to clients *	2,991.91	-	-
Book overdrafts	3.19	6.46	-
Other payables	105.17	123.28	115.99
	121,753.20	79,872.57	68,468.55

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

Contract liabilities			
Income received in advance	102.66	104.30	65.82
	102.66	104.30	65.82

Provisions			
Provisions for gratuity	657.76	608.47	410.13
	657.76	608.47	410.13

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
19 Income taxes			
(a) Deferred tax liabilities			
Deferred tax assets			
Impairment allowance on loans	116.70	91.58	40.53
Difference between carrying cost of property, plant and equipment as per the Companies Act, 2013 and Income-Tax Act, 1961	8.32	4.80	6.14
Disallowances on unrealized loss as per Income Computation and Disclosure Standards	(40.11)	54.66	(1.34)
Provision for gratuity	231.17	213.63	141.56
Disallowances u/s 43B of the Income-tax Act, 1961	11.53	10.00	5.34
Provision for doubtful trade receivables	158.96	82.15	0.64
	486.57	456.82	192.87

Deferred tax liability			
Disallowances on unrealized loss as per Income Computation and Disclosure Standards	80.76	-	56.30
Impact of fair value of financial instrument	1,915.42	1,847.08	2,284.58
Impact of effective interest rate	87.44	144.41	128.85
	2,083.62	1,991.49	2,469.73

Deferred tax liabilities			
MAT credit entitlement	1,597.05	1,534.67	2,276.86
Deferred tax liabilities (Net)	14.96	14.96	-
	1,582.09	1,519.71	2,276.86

(b) **Income tax expense**
 This note provides an analysis of the Company's income tax expense, showing how the tax expense is affected by non-assessable and non-deductible items.

	As at 31 March 2019	As at 31 March 2018
Tax Expense recognized in the statement of profit and loss		
Current Tax	5,492.89	6,484.66
Deferred Tax (Credit) / Charge	62.36	(757.15)
Prior year tax adjustment	(3.68)	(7.96)
Income tax expense reported in the statement of profit and loss	5,551.57	5,719.55

The major components of income tax expense and reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 34.944% (31 March 2018: 34.608%) and the reported tax expense in the statement of profit or loss are as follows:

Reconciliation of tax expense and the accounting profit multiplied by tax rate		
Accounting profit before income tax	17,879.18	18,679.19
At India's statutory income tax rate of 34.944%.% (31 March 2018: 34.608%)	6,247.70	6,464.50
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Tax Impact of Exempted Income	(634.88)	(1,885.04)
Tax Impact in respect of change in tax rate of Investment	(1.95)	(12.89)
Tax Impact in respect of change in future tax rate	-	8.92
Tax Impact on account of section 112A of Income Tax Act, 1961	(188.99)	919.03
Tax Effect of non-deductible expense	118.11	79.10
Tax Effect of Profit on open contract of last year	-	147.91
Others	15.27	5.98
At the effective income tax rate of 28.76 % (31 March 2018: 27.13 %)	5,555.26	5,727.51



52



(c) Movement in deferred tax liability (net)

Particulars	31 March 2018	Recognized in profit and loss account	Recognized in OCI	31 March 2019
Liability				
Disallowances on unrealized loss as per Income Computation and Disclosure Standards	-	80.76	-	80.76
Impact of fair value of financial instrument	1,847.08	68.34	-	1,915.42
Impact of Effective Interest Rate	144.41	(56.97)	-	87.44
	1,991.49	92.13	-	2,083.62
Assets				
Impairment allowance on loans	91.58	25.12	-	116.70
Difference between carrying cost of Property, plant and equipments as per Company Act, 2013 and Income-Tax Act, 1961	4.80	3.52	-	8.32
Disallowances on unrealized loss as per Income Computation and Disclosure Standards	54.66	(94.77)	-	(40.11)
Provision for gratuity	213.63	29.48	(11.94)	231.17
Disallowances u/s 43B of the Income-tax Act, 1961	10.00	1.53	-	11.53
Provision for Doubtful trade receivables	82.15	76.82	-	158.96
MAT credit entitlement	456.82	41.70	(11.94)	486.57
Net Movements	1,519.71	50.43	11.94	1,582.09

Particulars	1 April 2017	Recognized in profit and loss account	Recognized in OCI	31 March 2018
Liability				
Disallowances on unrealized loss as per Income Computation and Disclosure Standards	56.30	(56.30)	-	-
Impact of fair value of financial instrument	2,284.58	(437.50)	-	1,847.08
Impact of effective interest rate	128.85	15.57	-	144.41
	2,469.73	(478.23)	-	1,991.49
Assets				
Impairment allowance on loans	40.53	51.05	-	91.58
Difference between carrying cost of property, plant and equipments as per Companies Act, 2013 and Income-Tax Act, 1961	6.14	(1.34)	-	4.80
Disallowances on unrealized loss as per Income Computation and Disclosure Standards	(1.34)	56.00	-	54.66
Provision for gratuity	141.56	46.32	25.75	213.63
Disallowances u/s 43B of the Income-tax Act, 1961	5.34	4.67	-	10.00
Provision for doubtful trade receivables	0.64	81.51	-	82.15
MAT credit entitlement	192.87	238.21	25.75	456.82
Net Movements	2,276.86	(731.40)	(25.75)	1,519.71

30



Globe Capital Market Limited
Notes to the Consolidated financial statements for the year ended 31 March 2019
(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Tax assets and liabilities			
Current tax assets (net)	870.11	577.64	652.26
[net of provision for tax Rs. 2,371.92 Lakhs (31 March 2018 Rs. 2,093.22 Lakhs, 1 April 2017 Rs. 13,25.72 Lakhs)]			
Current tax liabilities (net)	707.47	192.04	609.58
(Net of advance tax of Rs. 1,891.19 Lakhs (31 March 2018 Nil, 1 April 2017 Rs. 3,937.38 Lakhs))			
Other non-financial liabilities			
Statutory dues	577.05	475.45	580.19
Others	68.57	125.32	21.45
	645.62	600.77	601.64

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Share capital			
(a) Authorized capital			
50,500,000 (31 March 2018 50,500,000; 1 April 2017 50,500,000) equity shares of Rs. 10 each	5,050.00	5,050.00	5,050.00
500,000 (31 March 2018 500,000; 1 April 2017 500,000) 10% non-cumulative redeemable preference shares of Rs. 10 each	50.00	50.00	50.00
	5,100.00	5,100.00	5,100.00
(b) Issued, subscribed and fully paid-up:			
26,250,000 (31 March 2018 26,250,000; 1 April 2017 29,112,500) equity shares of Rs. 10 each.	2,625.00	2,625.00	2,911.25
	2,625.00	2,625.00	2,911.25

Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No (in lakhs)	Amount	No (in lakhs)	Amount	No (in lakhs)	Amount
At the beginning of the year	262.50	2,625.00	291.13	2,911.25	328.13	3,281.25
Add: Issued during the year	-	-	-	-	-	-
Less: bought back during the year (refer notes 1 and 2 below)	-	-	28.63	286.25	37.00	370.00
Outstanding at the end of the year	262.50	2,625.00	262.50	2,625.00	291.13	2,911.25

(d) **Rights, preferences and restrictions attached with equity shares**

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 Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of the 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.

Details of shares held by shareholders holding more than 5% shares

Name of the shareholder	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No (in lakhs)	% of Holding	No (in lakhs)	% of Holding	No (in lakhs)	% of Holding
Ashok Kumar Agarwal	57.75	22.00%	57.75	22.00%	57.75	19.84%
Yashpal Mendiratta	57.73	21.99%	57.73	21.99%	57.73	19.83%
Alka Agarwal	21.00	8.00%	21.00	8.00%	21.00	7.21%
Alka Mendiratta	21.00	8.00%	21.00	8.00%	21.00	7.21%
Lakshya Impex Private Limited	26.25	10.00%	26.25	10.00%	26.25	9.02%
A2Z Finstock Private Limited (Formerly Rolex Finvest Private Limited)	26.25	10.00%	26.25	10.00%	26.25	9.02%
Client Rosehill Limited (formerly known as CVCIGP II Client Rosehill Limited)	-	0.00%	-	0.00%	18.27	6.28%
A to Z Consultants Private Limited	15.75	6.00%	15.75	6.00%	15.75	5.41%

(f) **Aggregate number of shares bought back during 5 years immediately preceding 31 March 2019**

	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
No. of shares bought back by the Company (refer notes 1 and 2 below)	-	28.63	37.00	-	-

During the year 2016-17, 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.

During the previous 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. 313.401/- 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.

Capital management

The Company is subject to regulations of SEBI and Stock Exchanges, which specifies the minimum net capital requirement. The Company submits periodic capital reports to the respective regulators. The Company's policy is to maintain a strong capital base so as to maintain creditors and market confidence and to sustain future development of business. Further, the Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, operating cash flows generated and short/long term debt.



Globe Capital Market Limited
Notes to the Consolidated financial statements for the year ended 31 March 2019
(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Other equity *			
(a) Other reserves			
Securities premium account			
Opening balance	-	-	-
Add: Additions during the year (net)	-	2,169.25	2,169.25
Closing balance	-	(2,169.25)	-
Capital reserve			
Opening balance	430.57	430.57	430.57
Add: Additions during the year (net)	-	-	-
Closing balance	430.57	430.57	430.57

Globe Capital Market Limited
Notes to the Consolidated financial statement for the year ended 31 March 2019
(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018	
22 Interest income (financial assets measured at amortized cost)			
Interest income on			
- loans	11,415.87	8,709.62	
- deposit with banks	9,482.22	8,223.57	
Other interest income	6,836.68	7,167.98	
	<u>27,734.77</u>	<u>24,101.17</u>	
23 Fee and commission income (refer note 44 for performance obligation of the Company)			
Brokerage fees	11,359.59	12,597.70	
Income from depository and portfolio management services	340.26	313.73	
Commission on distribution of financial products	28.45	6.76	
	<u>11,728.30</u>	<u>12,918.19</u>	
A. Geographical markets			
Within India	11,728.30	12,918.19	
Outside India	-	-	
Total revenue from contracts with customers	<u>11,728.30</u>	<u>12,918.19</u>	
B Timing of revenue recognition			
Services transferred at a point in time	11,554.62	12,831.94	
Services transferred over time	240.28	120.85	
Total revenue from contracts with customers	<u>11,794.90</u>	<u>12,952.79</u>	
C Contract balances	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Trade receivables	33,002.29	33,133.83	16,382.70
Contract liabilities	102.66	104.30	65.82
D Revenue recognized in the period from:			
Amounts included in contract liability at the beginning of the period	104.30	65.82	-
E The Company has used practical expedient and has not disclosed the amount of remaining performance obligations, since the contracts with customers have duration of less than one year.			
24 Net gain/ (loss) on fair value changes	For the year ended 31 March 2019	For the year ended 31 March 2018	
A Net gain/ (loss) on financial instruments at fair value through profit or loss			
(i) Investment	749.63	(403.20)	
(ii) Securities and commodities for trade	(51.19)	(1,554.38)	
(iii) Derivatives *	275.98	(221.35)	
	<u>974.42</u>	<u>(2,178.93)</u>	
B Fair Value change			
Realized			
Un-Realized	184.88	631.19	
Total net gain/ (loss) on fair value change	<u>789.54</u>	<u>(2,810.12)</u>	
	<u>974.42</u>	<u>(2,178.93)</u>	
* Included in income from trading in securities			
25 Other income			
Recovery from Bad & Doubtful Debts	25.00	4.24	
Net gain/ (loss) on disposal of property, plant and equipment	0.96	1.44	
Unwinding of discount on security deposit	17.20	23.78	
Interest on staff loan	3.93	1.91	
Provisions/ liabilities no longer required written-back	113.43	4.84	
Miscellaneous income	20.45	2.82	
	<u>180.97</u>	<u>39.03</u>	
26 Finance costs			
Interest expense (On financial liabilities measured at amortized cost)			
Interest on borrowing other than debt securities	9,351.52	6,304.83	
Interest/discount on debt securities	1,505.46	966.47	
Other borrowing cost	822.21	818.73	
	<u>11,679.19</u>	<u>8,090.03</u>	



Globe Capital Market Limited
Notes to the Consolidated financial statement for the year ended 31 March 2019
(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
27 Impairment on financial instruments		
Loans	1,258.79	794.04
Trade receivables (measured at fair value through amortized cost)	356.45	235.08
	1,615.24	1,029.12
28 Employee benefit expenses		
Salaries and wages	5,260.54	5,335.20
Contribution to provident fund and other fund (Refer note no 33)	92.54	89.68
Gratuity (Refer note no 33)	123.33	151.94
Staff welfare	49.24	52.39
	5,525.65	5,629.21
29 Other expenses		
Exchange charges	2,988.91	2,075.19
Brokerage and commission	2,097.14	2,782.37
Security and commodity transaction tax	840.46	1,132.63
Rent #	524.89	489.16
Communication	287.78	308.06
Computer and data processing charges	267.47	255.57
Contributions towards corporate social responsibility *	386.08	357.20
Travelling and conveyance	267.60	216.13
Legal and professional **	275.65	259.17
Electricity	134.29	122.76
Repairs and maintenance - others	120.33	121.09
Depository expenses	78.25	73.06
Entertainment/ business promotion	90.26	36.86
Printing and stationery	26.89	24.65
Advertisement	22.64	15.77
Rates and taxes (net of recoveries)	23.12	23.24
Fees and subscription	21.29	14.94
Festivity expenses	11.37	40.20
Insurance	12.75	11.19
Donation	5.40	7.84
Warehousing Charges	151.65	108.50
Exchange fluctuation	1.37	0.30
Loss on disposal of property, plant and equipments (net)	29.45	0.24
Miscellaneous	76.19	72.52
	8,741.23	8,548.64

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.

** Legal and professional charges include audit fee (excluding taxes)

For statutory audit	27.65	26.00
For tax audit	1.58	1.58
For other matters	2.00	4.00
Reimbursement of expenses	1.54	1.52
	32.77	33.10

*Details of CSR expenditure:-

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

	31 March 2019	31 March 2018
a) Gross amount required to be spent by the Company during the year	386.08	357.20

(b) Amount spent during the year ending on 31 March 2019	In cash	yet to be paid	Total
(i) Construction/acquisition of assets	-	-	-
(ii) On purpose other than (i) above	386.08	-	386.08
Amount spent during the year ending on 31 March 2018			
(i) Construction/acquisition of assets	-	-	-
(ii) On purpose other than (i) above	357.20	-	357.20

(c) During the current year, the Company has made contributions amounting to Rs 386.08 Lakhs (31 March 2018 Rs.357.20 Lakhs) to a Public Charitable Trust 'Globe Capital Foundation' (a related party as per Ind AS-24).



Globe Capital Market Limited
Notes to the consolidated financial statements for the year ended 31 March 2019
(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

30. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled.

Particulars	As at 31 March 2019			As at 31 March 2018			As at 1 April 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	Financial assets								
Cash and cash equivalents	6,805.56	-	6,805.56	11,025.09	-	11,025.09	7,814.68	-	7,814.68
Bank balances (other than cash and cash equivalents)	126,198.64	-	126,198.64	96,242.16	-	96,242.16	75,434.55	-	75,434.55
Derivative financial instruments	1,205.18	-	1,205.18	407.19	-	407.19	1,404.67	-	1,404.67
Receivables									
(i) Trade receivable	33,002.29	-	33,002.29	33,133.83	-	33,133.83	16,382.70	-	16,382.70
(ii) Other receivable	5.73	-	5.73	7,375.67	-	7,375.67	3.31	-	3.31
Loans	68,278.67	5,105.55	73,384.22	49,925.59	4,843.27	54,768.86	40,460.07	3,834.33	44,294.40
Securities and commodities for trade	43,040.34	-	43,040.34	24,126.88	-	24,126.88	30,295.86	-	30,295.86
Investments	-	7,414.48	7,414.48	-	6,994.18	6,994.18	-	10,672.96	10,672.96
Other financial assets	16,033.12	20,589.79	36,622.91	2,255.90	21,552.09	23,807.99	31,804.78	17,451.97	49,256.75
Non-financial assets									
Current tax assets (net)	1.18	868.93	870.11	-	577.64	577.64	1.90	650.36	652.26
Property, plant and equipment	72.33	590.32	662.65	83.10	574.67	657.77	2.31	435.18	437.49
Other intangible assets	-	-	-	-	-	-	-	-	-
Other non-financial assets	464.08	1,053.94	1,518.02	435.55	1,055.06	1,490.61	236.35	1,068.67	1,305.02
Total assets	295,107.12	35,623.01	330,730.13	225,010.97	35,596.90	260,607.87	203,841.18	34,113.47	237,954.65



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Globe Capital Market Limited
Notes to the consolidated financial statements for the year ended 31 March 2019
(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

Particulars	As at 31 March 2019			As at 31 March 2018			As at 31 April 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Liabilities									
Derivative financial instruments	826.43	-	826.43	593.69	-	593.69	1,374.29	-	1,374.29
Trade payables									
total outstanding dues of micro enterprises and small enterprises	0.03	-	0.03	-	-	-	-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	245.05	-	245.05	396.61	-	396.61	296.02	-	296.02
Debt securities									
Borrowings (other than debt securities)	10,441.51	-	10,441.51	9,439.78	-	9,439.78	9,854.16	-	9,854.16
Other financial liabilities	26,259.53	41,394.15	67,653.68	15,056.21	38,436.68	53,492.89	37,003.81	5,125.50	42,129.31
	121,745.17	8.03	121,753.20	79,862.00	10.57	79,872.57	68,455.69	12.86	68,468.55
Non-financial liabilities									
Contract liabilities	102.66	-	102.66	104.30	-	104.30	65.82	-	65.82
Current tax liabilities (net)	662.38	45.09	707.47	177.98	14.06	192.04	592.40	17.18	609.58
Provisions	157.00	500.76	657.76	153.89	454.58	608.47	57.21	352.92	410.13
Deferred tax liabilities (net)	605.27	976.82	1,582.09	876.80	642.91	1,519.71	1,130.81	1,146.05	2,276.86
Other non-financial liabilities	645.62	-	645.62	600.77	-	600.77	601.64	-	601.64
Total liabilities	161,690.65	42,924.85	204,615.50	107,262.03	39,558.80	146,820.83	119,431.85	6,654.51	126,086.36



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Globe Capital Market Limited
Notes to the consolidated financial statements for the year ended 31 March 2019
(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

31. Fair value measurement

(a) Financial instruments by category

Refer to financial instruments by category table below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the balance sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

The carrying value of financial instruments by categories is as follows

Particulars	As at 31 March 2019			As at 31 March 2018			As at 1 April 2017		
	Amortized Cost	FVTOCI	FVTPL	Amortized Cost	FVTOCI	FVTPL	Amortized Cost	FVTOCI	FVTPL
Financial assets									
Cash and cash equivalents	6,805.56	-	-	11,025.09	-	-	7,814.68	-	-
Bank balances (other than cash and cash equivalents)	126,198.64	-	-	96,242.16	-	-	75,434.55	-	-
Derivative financial instruments	-	-	1,205.18	-	-	407.19	-	-	1,404.67
Receivables									
(i) Trade receivables	33,002.29	-	-	33,133.83	-	-	16,382.70	-	-
(ii) Other receivables	5.73	-	-	7,375.67	-	-	3.31	-	-
Loans	73,384.22	-	-	49,620.78	-	5,148.08	39,697.90	-	4,596.50
Securities and commodities for trade	-	-	43,040.34	-	-	24,126.88	-	-	30,295.86
Investments	192.15	-	7,222.33	495.32	-	6,498.86	455.49	-	10,217.47
Other financial assets	36,622.91	-	-	23,807.99	-	-	49,256.75	-	-
Total financial assets	2,76,211.50	-	51,467.85	221,700.84	-	36,181.01	189,045.38	-	46,514.50
Financial liabilities									
Derivative financial instruments	-	-	826.43	-	-	593.69	-	-	1,374.29
Trade payables									
total outstanding dues of micro enterprises and small enterprises	0.03	-	-	-	-	-	-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	245.05	-	-	396.61	-	-	296.02	-	-
Debt securities	10,441.51	-	-	9,439.78	-	-	9,854.16	-	-
Borrowings (other than debt securities)	67,653.68	-	-	53,492.89	-	-	42,129.31	-	-
Other financial liabilities	121,753.20	-	-	79,872.57	-	-	68,468.55	-	-
Total financial liabilities	200,093.47	-	826.43	143,201.85	-	593.69	120,748.04	-	1,374.29



70

Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

Fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a fair value technique.

The instruments included in level 1 of fair value hierarchy have been valued using quoted prices for instruments in an active market. The investments included in level 2 of fair value hierarchy have been valued using valuation techniques based on observable market data. The investments included in Level 3 of fair value hierarchy have been valued using the income approach and break-up value to arrive at their fair value. There is no movement from between Level 1, Level 2 and Level 3. There is no change in inputs used for measuring Level 3 fair value.

The following table summarizes financial instruments measured at fair value on recurring basis:

Particulars	Total	Level 1	Level 2	Level 3
31 March 2019				
Securities and commodities for trade	43,040.34	43,040.34	-	-
Investments	7,222.33	7,118.85	-	103.48
Derivative financial instruments assets	1,205.18	1,205.18	-	-
Derivative financial instruments liabilities	826.43	826.43	-	-
31 March 2018				
Securities and commodities for trade	24,126.88	24,126.88	-	-
Investments	6,498.86	6,423.93	-	74.93
Derivative financial instruments assets	407.19	407.19	-	-
Derivative financial instruments liabilities	593.69	593.69	-	-
1 April 2017				
Securities and commodities for trade	30,295.86	30,295.86	-	-
Investments	10,217.47	10,146.51	-	70.96
Derivative financial instruments assets	1,404.67	1,404.67	-	-
Derivative financial instruments liabilities	1,374.29	1,374.29	-	-

Level 3 instruments represent investments of the Group in unlisted equity shares (other than equity shares of subsidiary companies). Sensitivity analysis of these unlisted equity shares has been ignored being not material.



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

Movements in Level 3 financial instruments measured at fair value

The following table shows a reconciliation of the opening and closing amounts of level 3 financial assets and liabilities which are recorded at fair value:

Particulars	31 March 2019	31 March 2018
Opening Balance		
Purchase	74.93	70.96
Less : Sales	-	-
Add : Gain / (loss)	-	-
Transfer in level 3	28.55	3.97
Less : Transfer from level 3	-	-
Closing balance	103.48	74.93

Financial assets subject to offsetting, netting arrangements

Exchange settlement obligations (disclosed as a part of payable to/ receivable from exchanges/ other receivables) are subject to netting as the Group intends to settle it on a net basis. The table below presents the gross balances of assets and liability.

Particulars	Effects on balance sheet		
	Gross amount (Asset)	Gross amount set off in the balance sheet	Net amount presented in the balance sheet
Exchange settlement obligations (Receivable from exchanges)			
As at 31 March 2019	3,356.87	-	3,356.87
As at 31 March 2018	449.38	-	449.38
As at 1 April 2017	29,778.75	74.00	29,704.75

Particulars	Effects on balance sheet		
	Gross amount (Liability)	Gross amount set off in the balance sheet	Net amount presented in the balance sheet
Exchange settlement obligations (Payable to exchanges)			
As at 31 March 2019	31,437.60	2,748.36	28,689.24
As at 31 March 2018	12,069.43	238.28	11,831.15
As at 1 April 2017	2,502.91	-	2,502.91

Particulars	Effects on balance sheet		
	Gross amount (Liability)	Gross amount set off in the balance sheet	Net amount presented in the balance sheet
Exchange settlement obligations (Other receivables)			
As at 31 March 2019	5.73	-	5.73
As at 31 March 2018	7,852.93	477.26	7,375.67
As at 1 April 2017	1,172.68	1,169.37	3.31



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

32. Earnings per share

(a) The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Net profit for the year	12,134.58	12,998.67
Nominal value of equity share (INR)	10	10
Total number of equity shares outstanding at the beginning of the year	26,250,000	29,112,500
Total number of equity shares outstanding at the end of the year	26,250,000	26,250,000
Weighted average no of equity shares for Basic EPS	26,250,000	27,677,329
Basic EPS (Rs.)	46.23	46.97
Weighted average no of equity shares for diluted earnings per share	26,250,000	27,677,329
Diluted EPS (Rs.)	46.23	46.97

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of the completion of these financial statements which would require the restatement of EPS.

(b) Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share

Particulars	No of Shares	Weighted Average
<i>For the year ended 31 March 2019</i>		
Particulars		
Equity Share of face value of Rs. 10 per share from 1 April 2018 to 31 March 2019	26,250,000	26,250,000
Less: Buy back	-	-
Total	26,250,000	26,250,000
<i>For the year ended 31 March 2018</i>		
Equity Share of face value of Rs. 10 per share from 1 April 2017 to 31 March 2018	29,112,500	29,112,500
Less: Buy back 29 September 2017 to 31 March 2018	2,862,500	1,435,171
Total	26,250,000	27,677,329

33. Employee benefit plans

(a) **Defined contribution plans**

	As at 31 March 2019	As at 31 March 2018
Employer's contribution to provident fund	76.65	73.88
Employer's contribution to Employee State Insurance	15.89	15.80
Total	92.54	89.68



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

(b) Defined Benefit Plans

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(i) Movement in present value of obligation		
Defined benefit obligation at the beginning of the year		410.12
Current service cost	608.47	79.27
Interest cost	78.29	29.58
Actuarial (gain)/ loss arising from change in demographic assumption	45.03	53.27
Actuarial (gain)/ loss arising from change in financial assumption	(18.61)	68.00
Actuarial (gain)/ loss arising from experience adjustment	6.85	(47.37)
Past service cost, including losses / (gains) on curtailments	(23.75)	43.10
Benefit paid	-	(27.50)
Defined benefit obligation at the end of the year	(38.52)	608.47
	657.76	

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(ii) Amount recognized in the Balance Sheet	657.76	608.47	410.13

(iii) Amount recognized in the statement of profit and loss as Employee Benefit Expense

Particulars	As at 31 March 2019	As at 31 March 2018
Current Service Cost	78.30	79.27
Past service cost, including losses/(gains) on curtailments	-	43.10
Finance Cost/ (Income)	45.03	29.57
Net Impact on the profit / (loss) before tax	123.33	151.94

(iv) Remeasurement of the net defined benefit liability

Particulars	As at 31 March 2019	As at 31 March 2018
Actuarial (Gain)/ Loss arising from change in demographic assumption	(18.59)	53.27
Actuarial (Gain)/ Loss arising from change in financial assumption	6.85	68.00
Actuarial (Gain)/ Loss arising from experience adjustment	(23.76)	(47.36)
Net Expense recognized in Other Comprehensive Income before tax	(35.50)	73.91

(v) Actuarial assumptions

With the objective of presenting defined benefit obligation at their fair value on balance sheet, assumption under In AS -19 are set out by reference to market condition at the valuation date:-

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Financial Assumptions			
Discount rate (per annum)	6.90%	7.40%	7.20%
Salary escalation rate (per annum)	8.00%	8.00%	5.00%



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

Demographic assumptions

Published rates under the Indian Assured Lives Mortality (2006-08) (Ultimate)

The estimates of future salary increases, considered in actuarial valuations, taken into account of inflations, seniority, promotion and other relevant factors, such as supply and demand in the employment market

(vi) Sensitivity analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible change of the assumptions occurring at the end of the period and may not be representative of the actual change. It is based on a change in the Key assumptions while holding all other assumptions constant. When calculating the sensitivity to the assumptions, the method (Projected Unit Method (PUC)) used to calculate the liability recognized in balance sheet has been applied. The result of Sensitivity analysis is given below:-

Change in defined benefit obligation due to 1% increase/ decrease in discount rate

Particulars	As at 31 March 2019		As at 31 March 2018	
	Decrease in obligation (1% increase in rate)	Increase in obligation (1% increase in rate)	Decrease in obligation (1% increase in rate)	Increase in obligation (1% increase in rate)
Change in discounting rate (delta effect of +/- 1%)	23.45	25.61	22.22	24.20

Change in defined benefit obligation due to 1% increase/ decrease in future salary increase

Particulars	As at 31 March 2019		As at 31 March 2018	
	Decrease in obligation (1% increase in rate)	Increase in obligation (1% increase in rate)	Decrease in obligation (1% increase in rate)	Increase in obligation (1% increase in rate)
Change in rate of salary increase (delta effect of +/- 1%)	20.48	21.52	21.20	22.43

Change in rate of employee turnover (delta effect of +/- 1%)

Sensitivity due to mortality is not material and hence the impact of change not calculated.

(g) Expected benefit obligations

(i) Duration of defined benefit obligations

Duration (years)	31 March 2019	31 March 2018	1 April 2017
1	157.00	153.88	57.20
2	115.71	87.94	49.80
3	86.59	73.70	35.39
4	68.79	58.87	33.30
5	51.40	49.88	28.58
Above 5	178.28	184.20	205.86
Total	657.77	608.47	410.13



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

(ii) Duration of defined benefit payments

Duration (years)	31 March 2019	31 March 2018	1 April 2017
1	160.25	159.47	59.22
2	126.10	97.88	55.28
3	101.12	88.09	42.12
4	85.56	75.59	42.50
5	68.26	68.79	39.11
Above 5	360.14	366.99	493.31
Total	901.43	856.81	731.54

34. Contingent liabilities (to the extent not provided for)

(a) Contingent Liabilities	As at 31 March 2019	As at 31 March 2018
Claims against the Group not acknowledged as debt (on account of arbitration filled by client)	29.15	459.55
On account of stamp duty from office of collector of stamp duty	3,275.91	3,275.91
Statutory dues	1,624.79	1,624.79

The Group has reviewed all its pending litigation and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statement. The Group does not expect the outcome of these proceedings to have materiality adverse effect on its financial results.

(b) During the previous financial year, the Group received a show cause notice, regarding the applicability of service tax on income earned on late pay-in charges, amounting to Rs. 1,293.60 Lakhs relating to 1 July 2012 to 31 March 2017. The Group has filed the reply against the same. Based upon the discussion with its expert counsel, the Group is not expecting any liability on this account.

(c) There has been a Supreme Court (SC) judgment dated 28 February, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgment including the effective date of application. The Group will continue to assess any further developments in this matter for the implications on financial statements, if any.

35. Leases

The Group has various operating leases for office premises, guest houses and for furniture and fittings that are renewable on a periodic basis. These lease arrangement range for a period between 11 months to 36 months, which include cancellable lease. Rental expenses for operating leases recognized in the Statement of Profit and Loss for the year is Rs.480.29 Lakhs (31 March 2018: Rs 425.66 Lakhs)

36 Related Party Disclosures

Indian accounting standard on related party disclosures (IndAS 24), the names of the related parties of the Group are as follows:

a. Related parties where transactions have occurred during the year.**Key Managerial Personnel****Managing Director**

(i) Yashpal Mendiratta

Whole Time Director

(ii) Ashok Kumar Agarwal



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

Others

Alka Mendiratta *	Whole-time director, Globe Commodities Limited
Alka Agarwal *	Whole-time director, Globe Commodities Limited
Sahil Mendiratta	Whole-time director, Globe Fincap Limited
Pooja Goyal	Director, Globe Fincap Limited
Sanya Mendiratta	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
Munish Kumar Mittal	Whole-time Director, Globe Capital (IFSC) Limited (w.e.f. 31 March 2019)

Independent/ Nominee Directors

- (i) Alok Kumar Bansal
(ii) Sunil Kumar Jain
(iii) Rajiv Kalra (upto 6 September 2018) (Nominee Director)
(iv) Arun Kumar Gupta

* Also directors in Globe Capital Market Limited

Enterprise in which KMP or their relatives have influence

- (i) A to Z Venture Capital limited
(ii) M. Agarwal Stock Brokers Private Limited
(iii) Bolt Synthethic Private Limited
(iv) A.M. Share Brokers Private Limited
(v) Globe Capital Foundation
(vi) A to Z Finstock Private Limited (Formerly Rolex Finvest Private Limited) #
(vii) A to Z Consultants Private Limited #
(viii) Lakshya Impex Private Limited #
(ix) Yashpal Mendiratta (HUF) #
(x) Ashok Kumar Agarwal (HUF) #

The above parties are also the shareholders of the Group.

Transactions with related parties:-

Disclosure of the transactions between the Group and its related parties including the status of outstanding balance as on 31 March 2019 and as on 31 March 2018 is set out as under

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Brokerage earned		
Lakshya Impex Private Limited	0.03	0.01
M. Agarwal Stock Brokers Private Limited	0.03	0.12
A to Z Ventures Capital Limited	0.16	0.39
Bolt Synthetic Private Limited	0.00	0.00
A to Z Consultants Private Limited	0.10	0.00
A M Sharebrokers Private Limited	0.00	0.00



Globe Capital Market Limited**Notes to the consolidated financial statements for the year ended 31 March 2019****(All amounts are in Indian rupees in Lakhs, unless otherwise stated)**

Income from depository services		
Rolex Finvest Private Limited	0.04	0.04
Lakshya Impex Private Limited	0.01	0.01
M Agarwal Stock Brokers Private Limited	0.08	0.07
Bolt Synthetic Private Limited	0.02	0.01
A M Share Brokers Private Limited	0.02	0.02
Others	0.09	0.06
Income from portfolio management services		
Ankit Agarwal	0.53	1.04
Arpit Agarwal	0.15	0.01
M.Agarwal Stock Brokers Private Limited	7.15	5.67
Interest expense on loan		
Lakshaya Impex Private Limited	0.36	4.71
Rolex Finvest Private Limited	-	2.61
Bolt Synthetic Private Limited	0.13	0.25
Reimbursement of expenses		
M Agarwal Stock Brokers Private Limited	-	0.16
Globe Capital Foundation	-	0.06
Loan taken		
Lakshaya Impex Private Limited	61.50	1,350.13
A to Z Finstock Private Limited	-	280.00
Bolt Synthetic Private Limited	30.00	15.00
Loan repaid		
Lakshaya Impex Private Limited	61.50	1,350.13
A to Z Finstock Private Limited	-	280.00
Bolt Synthetic Private Limited	30.00	20.00
Guarantee received during the year		
Yashpal Mendiratta	1,500.00	4,000.00
Ashok Agarwal	1,500.00	4,000.00
Short-term employee benefits		
Ashok Kumar Agarwal	372.47	609.28
Yashpal Mendiratta	372.47	609.28
Sahil Mendiratta	48.00	36.00
Arpit Agarwal	48.00	36.00
Pooja Goyal	8.00	-
Mr. Munish Kumar Mittal (W.E.F 30th March,19)	-	-
Nidhi Aggarwal	48.00	58.00
Harshita Agarwal	30.00	-
Alka Agarwal	4.80	4.80
Alka Mendiratta	4.80	4.80
Ankit Agarwal	48.29	36.00
Sanya Mendiratta	8.00	-



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

Assets purchased		
Harshita Agarwal	-	85.00
Rent		
Alka Agarwal	4.50	4.50
Alka Mendiratta	4.50	4.50
A to Z Venture Capital Limited	8.76	8.76
A to Z Consultants Private Limited	5.88	5.88
Lakshya Impex Private Limited	8.66	8.66
Ashok Kumar Agarwal (HUF)	8.81	8.81
Yashpal Mendiratta (HUF)	8.81	8.81
Contribution towards corporate social responsibility		
Globe Capital Foundation (Trust)	386.08	357.20
Sitting fee		
Alok Kumar Bansal	3.30	2.35
Sushil Kumar Jain	3.45	2.45
Arun Kumar Gupta	4.00	2.80

Net outstanding balance of related parties

Particulars	As at 31 March 2019	As at 31 March 2018
Advance/ margin received from related parties		
M. Agarwal Stock Brokers Private Limited	74.90	0.01
A to Z Venture Capital Limited	0.01	-
Advance/ margin recoverable from related parties		
A to Z Venture Capital Limited	15.00	1.43
A to Z Finstock Private Limited (Formerly Rolex Finvest Private Limited)	-	0.05
Lakshya Impex Private Limited	4.76	0.02
A M Share Brokers Private Limited	-	-
A To Z Consultants Private Limited	14.92	-
Salary, bonus and other payables		
Ashok Kumar Agarwal	208.16	80.54
Yashpal Mendiratta	209.11	80.54
Sahil Mendiratta	2.60	2.87
Arpit Agarwal	1.35	2.87
Pooja Goyal	1.91	-
Nidhi Aggarwal	4.77	4.14
Ankit Agarwal	0.35	2.70
Alka Agarwal	0.38	0.50
Alka Mendiratta	0.38	0.55

Terms and conditions of transactions with related parties

- (i) All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.
- (ii) For the year ended 31 March 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2017-18: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

38. Financial risk management

Financial risk management objective and policies

The Group has established a comprehensive system for risk management and internal controls for all its businesses to manage the risk that it is exposed to. The objective of its risk management framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and ensure a systematic response in the case of crystallization of such risks.

The Group has exposure to the following risk arising from financial instruments:

- a. Credit risk
- b. Liquidity risk
- c. Market risk

The Group has established various policies with respect to such risks which set forth limits, mitigation strategies and internal controls to be implemented by the three lines of defense of approach provided below. The Boards of the respective Companies of the Group oversees risk management of their respective companies. It also frames and reviews risk management processes and controls.

The risk management system features a "three lines of defence" approach:

1. The first line of defence comprises its operational departments, which assume primary responsibility for their own risks and operate within the limits stipulated in various policies approved by the Board of the respective Companies or by committees constituted by the Boards.

2. The second line of defence comprises specialised departments such as risk management and compliance. They employ specialised methods to identify and assess risks faced by the operational departments and provide them with specialised risk management tools and methods, facilitate and monitor the implementation of effective risk management practices, develop monitoring tools for risk management, internal control and compliance, report risk related information and promote the adoption of appropriate risk prevention measures.

3. The third line of defence comprises the internal audit department and external audit functions. They monitor and conduct periodic evaluations of the risk management, internal control and compliance activities to ensure the adequacy of risk controls and appropriate risk governance, and provide the Boards of the respective Companies with comprehensive feedback

a. Credit risk

It is risk of financial loss that the Group will incur a loss because its customer or counterparty to financial instruments fails to meet its contractual obligation.

The Group's financial assets comprise of Cash and bank balance, Securities and commodities for trade, Trade receivables, Loans, Investments and Other financial assets which comprise mainly of deposits and unbilled revenues.

The maximum exposure to credit risk at the reporting date is primarily from Company's trade receivable and loans.

Following provides exposure to credit risk for trade receivables and loans:

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Trade and other debtors (net of impairment)	33,008.02	40,509.50	16,386.01
Loans (net of impairment)	73,384.22	54,768.86	44,294.40
Total	106,392.24	95,278.36	60,680.41

Trade Receivables: The Group has followed simplified method of ECL in case of Trade receivables and the Group recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. At each reporting date, the Group assesses the impairment requirements.



Globe Capital Market Limited**Notes to the consolidated financial statements for the year ended 31 March 2019****(All amounts are in Indian rupees in Lakhs, unless otherwise stated)**

Based on the industry practices and business environment in which the entity operates, management considers that the unsecured trade receivables are in default if the payment is 90 days overdue. Out of the total trade receivables of 32,823.97 Lakhs (31 March 2018 40,509.50 Lakhs), 454.90 Lakhs (31 March 2018: 235.08 Lakhs) are overdue for a period in excess of 90 days or considered as non-recoverable as per management assessment. Probability of default (PD) on this balance is considered at 100% and treated as credit impaired.

Loans

Credit Risk from loans arises from the risk of loss that may occur from the default of the Group's customers under loan agreements. Customer defaults in repayments results to NPAs. The group address credit risks by using a set of credit norms and policies. The group is having a credit appraisal system based upon various criteria like customer track record, customer background, quality of security offered, credential of guarantors etc, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of a potential customer. Actual credit exposures, credit limits and asset quality are periodically monitored and analysed. The Group has created a robust credit assessment that enables to fairly price credit risks

Movements in the allowances for impairment in respect of trade receivables and loans are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Opening provision		
Add: Additional provision	1,060.57	334.97
Less: Provision utilized during the year	1,478.61	1,027.27
Less: Provision reversed during the year	1,072.54	301.67
	-	-
	1,466.64	1,060.57

Other financial assets considered to have a low credit risk:

Credit risk on cash and cash equivalents is limited as the Group generally invests in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investments comprise of Quoted Equity instruments, Bonds, Mutual Funds and other securities which are market tradable. Other financial assets include deposits for assets acquired on lease and with qualified clearing counterparties and exchanges as per the prescribed statutory limits.

b. Liquidity risk

Liquidity represents the ability of the Group to generate sufficient cash flow to meet its financial obligations on time, both in normal and in stressed conditions, without having to liquidate assets or raise funds at unfavourable terms thus compromising its earnings and capital.

Liquidity risk is the risk that the Group may not be able to generate sufficient cash flow at reasonable cost to meet expected and / or unexpected claims. It arises in the funding of lending, trading and investment activities and in the management of trading positions.

The Group aims to maintain the level of its cash and cash equivalents and other highly marketable investments at an amount in excess of expected cash outflow on financial liabilities.

Funds required for short period are taken care by borrowings through issuing Commercial paper and utilizing overdraft facility from various banks.

The following table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities:



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

Particulars	Total carrying amount	Payable/receivable within one year	Payable/receivable within 1 year to 5 years	More than 5 years
As at 31 March 2019				
a. Financial assets				
Cash and cash equivalents	6,805.56	6,805.56	-	-
Bank balance other than cash equivalents above	126,198.64	126,198.64	-	-
Derivative financial instruments	1,205.18	1,205.18	-	-
Securities and commodities for trade	43,040.34	43,040.34	-	-
Receivables				
(i) Trade receivables	33,002.29	33,002.29	-	-
(ii) Other receivables	5.73	5.73	-	-
Loans	73,384.22	68,278.67	5,105.55	-
Investments	7,414.48	-	7,414.48	-
Other financial assets	36,622.91	15,763.12	20,589.79	-
Total (a)	327,679.35	294,569.53	33,109.82	-
b. Financial liabilities				
Derivative financial instruments	826.43	826.43	-	-
Trade payables	245.08	245.08	-	-
Debt securities	10,441.51	10,441.51	-	-
Borrowings (other than debt securities)	67,653.68	26,259.53	41,394.15	-
Other financial liabilities	121,753.20	121,745.17	8.03	-
Total (b)	200,919.90	159,517.72	41,402.18	-
Net Excess / (Shortfall) (a-b)	126,759.45	135,235.84	(8,292.36)	-



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

Particulars	Total carrying amount	Payable/ receivable within one year	Payable/ receivable within 1 year to 5 years	More than 5 years
As at 31 March 2018				
a. Financial assets				
Cash and cash equivalents	11,025.09	11,025.09	-	-
Bank balance other than cash equivalents above	96,242.16	96,242.16	-	-
Derivative financial instruments	407.19	407.19	-	-
Securities and commodities for trade	24,126.88	24,126.88	-	-
Receivables				
(i) Trade receivables	33,133.83	33,133.83	-	-
(ii) Other receivables	7,375.67	7,375.67	-	-
Loans	54,768.86	49,925.59	4,843.27	-
Investments	6,994.18	0.00	6,994.18	-
Other financial assets	23,807.99	2,255.90	21,552.09	-
Total (a)	257,881.85	224,492.31	33,389.54	-
b. Financial liabilities				
Derivative financial instruments	593.69	593.69	-	-
Trade payables	396.61	396.61	-	-
Debt securities	9,439.78	9,439.78	-	-
Borrowings (other than debt securities)	53,492.89	38,436.68	15,056.21	-
Other financial liabilities	79,872.57	79,862.00	10.57	-
Total (b)	143,795.54	128,728.76	15,066.78	-
Net Excess / (Shortfall) (a-b)	114,086.31	95,763.55	18,322.76	-



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

Particulars	Total carrying amount	Payable/ receivable within one year	Payable/ receivable within 1 year to 5 years	More than 5 years
As at 1 April 2017				
a. Financial assets				
Cash and cash equivalents	7,814.68	7,814.68	-	-
Bank balance other than cash equivalents above	75,434.55	75,434.55	-	-
Derivative financial instruments	1,404.67	1,404.67	-	-
Securities and commodities for trade	30,295.86	30,295.86	-	-
Receivables				
(i) Trade receivables	16,382.70	16,382.70	-	-
(ii) Other receivables	3.31	3.31	-	-
Loans	44,294.40	40,460.07	3,834.33	-
Investments	10,672.96	-	10,672.96	-
Other financial assets	49,256.75	31,804.78	17,451.97	-
	235,559.88	203,600.61	31,959.26	-
b. Financial liabilities				
Derivative financial instruments	1,374.29	1,374.29	-	-
Trade payables	296.02	296.02	-	-
Debt securities	9,854.16	9,854.16	-	-
Borrowings (other than debt securities)	42,129.31	5,125.50	37,003.81	-
Other financial liabilities	68,468.55	68,455.69	12.86	-
	122,122.33	85,105.66	37,016.67	-
Net Excess / (Shortfall)	113,437.55	118,494.95	(5,057.41)	-

c. Market risk

Market risk arises when movements in market factors (foreign exchange rates, interest rates, credit spreads and equity prices) impact the Group's income or the market value of its portfolios. The Group, in its course of business, is exposed to market risk due to change in equity prices, interest rates and foreign exchange rates. The objective of market risk management is to maintain an acceptable level of market risk exposure while aiming to maximize returns. The Group classifies exposures to market risk into either trading or non-trading portfolios. Both the portfolios are managed using the following sensitivity analyses:

- i) Equity Price Risk
- ii) Interest Rate Risk
- iii) Currency Risk

50



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019
(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

Total market risk exposure

Particulars	Total carrying amount	Traded asset/liability	Non traded asset/liability	Primary risk sensitivity
As at 31 March 2019				
Assets				
Cash and cash equivalents and other bank balances	133,004.20	-	133,004.20	
Derivative financial instruments	1,205.18	1,205.18	-	Currency and equity price
Financial assets at FVTPL	50,454.82	50,454.82	-	Equity price and Interest rate
Trade and other receivables	33,008.02	-	33,008.02	
Loans	73,384.22	-	73,384.22	
Other financial assets at amortised cost	36,622.91	-	36,622.91	
Total	327,679.35	51,660.00	276,019.35	
Liabilities				
Derivative financial instruments	826.44	-	826.44	Currency and equity price
Trade payables	245.08	-	245.08	
Debt securities	10,441.51	-	10,441.51	
Borrowings (other than debt securities)	67,653.68	-	67,653.68	Interest rate
Other financial liabilities	121,753.21	-	121,753.21	
Total	200,919.92	-	200,919.92	

Particulars	Total carrying amount	Traded asset/liability	Non traded asset/liability	Primary risk sensitivity
As at 31 March 2018				
Assets				
Cash and cash equivalents and other bank balances	107,267.25	-	107,267.25	
Derivative financial instruments	407.19	407.19	-	Currency and equity price
Financial assets at FVTPL	31,121.06	31,121.06	-	Equity price and Interest rate
Trade receivables	40,509.50	-	40,509.50	
Loans	54,768.86	-	54,768.86	
Other financial assets at amortised cost	23,807.99	-	23,807.99	
Total	257,881.85	31,528.25	226,353.60	
Liabilities				
Derivative financial instruments	593.69	593.69	-	Currency and equity price
Trade payables	396.61	-	396.61	Equity price
Debt securities	9,439.78	-	9,439.78	
Borrowings (other than debt securities)	53,492.89	-	53,492.89	Interest rate
Other financial liabilities	79,872.57	-	79,872.57	
Total	143,795.54	593.69	143,201.85	



Globe Capital Market Limited
Notes to the consolidated financial statements for the year ended 31 March 2019
(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

Particulars	Total carrying amount	Traded asset/liability	Non traded asset/liability	Primary risk sensitivity
As at 1 April 2017				
Assets				
Cash and cash equivalents and other bank balances	83,249.23	-	83,249.23	
Derivative financial instruments	1,404.67	1,404.67	-	Currency and equity price
Financial assets at FVTPL	40,968.82	40,968.82	-	Equity price and Interest rate
Trade receivables	16,386.01	-	16,386.01	
Loans	44,294.40	-	44,294.40	
Other financial assets at amortised cost	49,256.75	-	49,256.75	
Total	235,559.88	42,373.49	193,186.39	
Liabilities				
Derivative financial instruments	1,374.29	1,374.29	-	Currency and equity price
Trade payables	296.02	-	296.02	
Debt securities	9,854.16	-	9,854.16	
Borrowings (other than debt securities)	42,129.31	-	42,129.31	Interest rate
Other financial liabilities	68,468.55	-	68,468.55	
Total	122,122.33	1,374.29	120,748.04	

(i) Equity price risk

The Group's exposure to equity price risk arises primarily on account of its proprietary positions and on account of margin-based positions of its clients in equity cash and derivative segments.

The Group's equity price risk is managed by its Board of Directors of the respective Companies. It specifies exposure limits and risk limits for the proprietary desk of the Group and stipulates risk-based margin requirements for margin-based trading in equity cash and derivative segment by its clients.

The below sensitivity depicts a scenario where a 10% change in equity prices, everything else remaining constant, would result in an exchange obligation for both Traded and Non-traded (client) positions and their impact on statement of profit and loss considering that the entire shortfall would be made good by the Group.

	For the year ended 31 March 2019	For the year ended 31 March 2018
10% change in equity prices	4,935.27	3,551.96
10% change in equity prices	(4,935.27)	(3,551.96)

(ii) Interest rate risk

Interest rate risk is the risk that arises from fluctuations of interest rate in market. It is imperative for the Group to measure and assess interest rate risk, as it has financial assets and liabilities at fixed and floating rate of interest, as any movement could negatively and positively affect the value of financial assets and liabilities.



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

The exposure of Company's liabilities to interest rate risk is as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Total borrowing	78,095.19	62,932.67
Fixed rate borrowing	23,243.66	24,035.17
Floating rate borrowing	54,851.54	38,897.50

The table below illustrates the impact of 50 basis point movement in interest rates on interest expense on borrowings (floating rate instruments) assuming that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of date.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
50 basis points increase would decrease the profit by	192.63	120.21
50 basis points decrease would increase the profit by	(192.63)	(120.21)

(iii) Foreign exchange currency risk

The Group's exposure to currency risk arises primarily on account of its proprietary positions and on account of margin positions of its clients in exchange traded currency derivatives.

The Group's currency risk is managed by its Board of Directors. It specifies the gross open position limit and risks limit for the proprietary desk of the Group and stipulate risk-based margin requirements for margin based trading in currency derivatives by clients.

39. First time adoption of Indian Accounting Standards

For reporting periods up to and including the year ended 31 March 2018, the Group prepared its financial statements in accordance with Indian GAAP. The Group has prepared its financial statements in accordance with Ind AS prescribed under section 133 of the Act and other accounting principles generally accepted in India and as notified by Ministry of Corporate Affairs with the transition date being 1 April 2017. The impact of transition has been provided in the Opening Reserves as at 1 April 2017.

In preparing these financial statements, the Group has opted to avail the choices available for certain transitional provisions within Ind AS 101, 'First time adoption of Indian Accounting Standards', which offers exemption from applying specified Ind AS retrospectively. The most significant of these provisions are in the following areas:

(i) Deemed cost for property, plant and equipments and intangible assets

The Group has elected to continue with the carrying value for all of its property, plant and equipment and intangible assets as measured as per the previous GAAP and used that as its deemed cost as at the date of transition.

(ii) Designation of previously recognized financial instruments

At the transition date, the Group assessed the conditions for classification of financial assets and accordingly classified its financial assets at either amortized cost, fair value through other comprehensive income or fair value through profit and loss account, as appropriate, under the provisions of Ind AS 109, 'Financial Instruments'.

A. Mandatory exception from retrospective application

The Group has applied the following exceptions to the retrospective application of Ind AS mandatorily required under Ind AS 101:



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

(i) Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Group has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Group for the relevant reporting dates reflecting conditions existing as at that date.

(ii) Classification and measurement of financial assets

The classification of financial assets to be measured either at amortized cost or fair value through other comprehensive income or fair value through PL are made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

B. Transition to Ind AS-Reconciliation

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

- (i) Reconciliation of Balance Sheet as at 1 April 2017
- (ii) Reconciliation of Balance Sheet as at 31 March 2018
- (iii) Reconciliation of Total Comprehensive Income for the year ended 31 March 2018
- (iv) Reconciliation of Equity as at 1 April 2017 and 31 March 2018.
- (v) Adjustment to Statement of Cash Flow for the year ended 31 March 2018

(i). Reconciliation of Balance Sheet as at 1 April 2017

Particulars	Note Ref	Previous GAAP	Adjustments	Ind AS
Financial assets				
(a) Cash and cash equivalents		7,814.68		7,814.68
(b) Bank balances other than cash and cash equivalents		75,434.55		75,434.55
(c) Derivative financial instruments				
(d) Receivables	(j)		1,404.67	1,404.67
(i) Trade receivables		16,382.70		-
(ii) Other receivables		3.31		16,382.70
				3.31
(e) Loans	(a)	44,337.25	(42.85)	-
(f) Securities and commodities for trade		28,508.06	1,787.80	44,294.40
(g) Investments	(b)	6,010.68	4,662.28	30,295.86
(h) Other financial assets	(c, e)	49,256.29	0.46	10,672.96
		227,747.52	7,812.36	49,256.75
Non-financial assets				235,559.88
(a) Current tax assets (net)		652.26		652.26
(b) Property, plant and equipment		437.49		437.49
(c) Other intangible assets		-		-
(d) Other non-financial assets	(c, e)	1,305.02		-
		2394.77		1,305.02
Total assets		230,142.29	7,812.36	2394.77
				237,954.65



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

Liabilities and equity				
Liabilities				
Financial liabilities				
(a) Derivative financial instruments	(j)		1,374.29	1,374.29
(b) Trade payables				
total outstanding dues of micro enterprises and small enterprises		-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		296.02		296.02
(c) Debt securities		9,854.16		9,854.16
(d) Borrowings (other than debt securities)	(f)	42,471.22	(341.91)	42,129.31
(e) Other financial liabilities		68,468.55		68,468.55
		121,089.95	1,032.38	122,122.33
Non-financial liabilities				
(a) Contract liabilities		65.82		65.82
(b) Current tax liabilities (net)		609.58		609.58
(c) Provisions		410.13	-	410.13
(d) Deferred tax liabilities (net)	(h)	(136.57)	2,413.43	2,276.86
(e) Other non-financial liabilities		601.64	0.00	601.64
		1,550.61	2,413.43	3,964.03
Total liabilities		122,670.93	3,415.44	126,086.37
Equity				
(a) Equity share capital		2,911.25		2,911.25
(b) Other equity	(i)	104,590.49	4,366.55	108,957.04
Total equity		107,501.74	4,366.55	111,868.29
Total Liabilities and equity		230,142.29	7,812.36	237,954.65

(ii). Reconciliation of Balance Sheet as at 31 March 2018

Particulars	Note Ref	Previous GAAP	Adjustments	Ind AS
Financial assets				
(a) Cash and cash equivalents		11,025.08	-	11,025.09
(b) Bank balance other than cash and cash equivalents		96,242.16	-	96,242.16
(c) Derivative financial instruments		-	407.19	407.19
(d) Receivables				0.00
(i) Trade receivables		33,133.83		33,133.83
(ii) Other receivables		7,375.67		7,375.67
(e) Loans	(a)	54,896.64	(127.78)	54,768.86
(f) Securities and commodities for trade	(e)	23,893.46	233.42	24,126.88



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

(g) Investments	(b)	4,456.48	2,537.70	6,994.18
(h) Other financial assets	(c,e)	23,808.45	(0.44)	23,807.99
		254,831.77	3,050.09	257,881.85
Non-financial assets				
(a) Current tax assets (net)		577.64		577.64
(b) Property, plant and equipment		657.77		657.77
(c) Other intangible assets		-		-
(d) Other non-financial assets	(c,e)	1,490.61		1,490.61
		2726.02	-	2726.02
Total assets		257,964.99	2,642.87	260,607.87
Liabilities and equity				
Liabilities				
Financial liabilities				
(a) Derivative financial instruments	(j)		593.69	593.69
(b) Trade payables				-
total outstanding dues of micro enterprises and small enterprises		-		-
total outstanding dues of creditors other than micro enterprises and small enterprises		396.61		396.61
(c) Debt securities		9,439.78		9,439.78
(d) Borrowings (other than debt securities)	(f)	53,912.15	(419.26)	53,492.89
(e) Other financial liabilities		79,872.57		79,872.57
		143,621.11	174.43	143,795.54
Non-financial liabilities				
(a) Contract liabilities		104.30		104.30
(b) Current tax liabilities (net)		192.04		192.04
(c) Provisions		608.47		608.47
(d) Deferred tax liabilities (net)	(h)	(471.80)	1,991.51	1,519.71
(e) Other non-financial Liabilities		1,194.46	(593.69)	600.77
Total liabilities		1,627.47	1,397.82	3,025.29
		145,248.58	1,572.25	146,820.83
Equity				
(a) Equity share capital		2,625.00		2,625.00
(b) Other equity	(j)	110,091.42	1,070.6	111,162.04
Total equity		112,716.41	1,070.63	113,787.04
Total Liabilities and equity		257,964.99	2,642.88	260,607.87



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

(iii). Reconciliation of total comprehensive income for the year ended 31 March 2018

Particulars	Note Ref	Previous GAAP	Adjustments	Ind AS
Revenue from operations				
(a) Interest income	(a)	24,186.11	(84.94)	24,101.17
(b) Dividend income		3,641.04		3,641.04
(c) Revenue from contracts with customers		12,918.19		12,918.19
(d) Income from trading in securities		3,387.81		3,387.81
(e) Net gain on fair value change		-		-
Other income	(c,e)	13.35	25.68	39.03
Total income (1)		44,172.18	(84.94)	44,087.24
Expense				
Finance cost	(f)	8,136.01	(46.04)	8,090.03
Net loss on fair value change	(b, d)	(1,721.38)	3,678.96	1,957.58
Impairment on financial instruments		1,029.12		1,029.12
Employee benefit expenses	(g,c)	5,703.12	(73.91)	5,629.21
Depreciation		88.69		88.68
Other Expenses		8,548.64		8,548.64
Total expenses (2)		21,710.39	3,632.88	25,343.27
Profit before tax (1-2)		22,461.79	(3,717.82)	18,743.98
Tax expenses				
Current income-tax		6,484.66		6,484.66
Deferred tax	(h)	(309.49)	(421.91)	(731.40)
Prior year tax adjustment		(7.96)		(7.96)
Total tax expenses		6,167.21	(421.91)	5,745.31
Profit after tax		16,294.58	(3,295.91)	12,998.67
Other comprehensive income				
Items that will not be reclassified to reclassified to Profit and Loss				
(i) Remeasurement of net defined benefit liability		-	(73.91)	(73.91)
(a) Gains and losses arising from translating the financial statement of foreign operation		9.12		9.12
(ii) Income tax relating to these items		-	25.75	25.75
Total other comprehensive income / (loss)		9.12	(48.16)	(39.04)
Total comprehensive income		16,303.70	(3,344.07)	12,959.63



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

(iv) Reconciliation of other equity

Particulars	As at 31 March 2018	As at 1 April 2017
Total equity under Previous GAAP	110,091.41	104,590.49
<i>Adjustment in opening retained earnings</i>	4,366.55	
Effective Interest Rate computation of loan outstanding	46.98	372.28
Effective Interest rate computation of advance outstanding	(84.94)	(42.85)
Fair value of investments	(2,124.58)	4,662.28
Fair value of inventory of securities	(1,554.38)	1,787.80
Unwinding of discount on security deposit (net)	(0.26)	(0.69)
Unwinding of discount on advance to employee (net)	(0.65)	1.15
Deferred tax on Ind AS adjustment	421.91	(2,413.42)
	111,162.04	108,957.04

(v) Adjustments to Statement of cash flows

There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.

Footnotes to the reconciliation of equity as at 1 April 2017 and 31 March 2018 and profit or loss for the year ended 31 March 2018

a. Loans

As required under the IND AS 109 transactions costs received towards origination of advances have been deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the statement of profit and loss over the tenure of the borrowing as interest income, computed using the effective interest rate method.

Under the previous GAAP, these transaction costs were recognised to the statement of profit and loss as and when incurred. Consequently, loans as at 31st March, 2018 have been reduced by 127.78 lakhs (1st April, 2017 : 42.85 lakhs) with a corresponding adjustment to retained earnings resulting in decrease in other equity by Rs. 42.85 lakhs on transition date. The profit under the Ind AS for the year ended 31st March, 2018 has been reduced by Rs 84.94 lakhs.

b. Fair valuation of equity investment

Under Previous GAAP, Investment in equity instruments were measured at cost unless there was a permanent decline in the market value. Under Ind AS, the Group has designated these Investments at fair value through profit and loss (FVTPL). Accordingly these Investments are required to be measured at fair value. At the date of transition to Ind AS, difference between the fair value of the equity Instrument and the carrying value under previous GAAP has been recognized in other equity.

The net effect is an increase in equity by Rs 4,662.28 Lakhs as at 1 April 2017 and decrease in profit for the year ended 31 March 2018 by Rs 2,124.58 Lakhs.

c. Interest free advance to employee

Under previous GAAP, Advances to Employee were recognized at transaction value. Under Ind AS, Interest free or below market rate interest loan given to staff are required to be measured at fair value through amortized cost. The difference between transaction value of loan and its fair value at inception is recognized as prepaid expense and amortized over the tenure of the loan. Such interest income is recognized in statement of profit and loss using effective interest rate (EIR). As on 31 March 2018, the prepaid expenses decreased by Rs.0.65 Lakhs (As at 1 April 2017 1.15 Lakhs). As a consequence, retained earnings as at 1 April 2017 increased by Rs. 1.15 Lakhs and statement of profit and loss for the year ended 31 March 2018 decreased by Rs. 0.65 Lakhs



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

d. Valuation of Securities and commodities for trade

Under Previous GAAP, Inventories are valued at cost or Net realizable value whichever is lower. Under Ind AS, the same is classified as a financial asset. Accordingly the same are measured at fair value less cost to sell. The net effect is an increase in total equity by Rs 1,787.80 Lakhs as at April 1, 2017, decrease in profit for the year ended 31 March 2018 by Rs 1,554.38 Lakhs.

e. Discounting of security deposit

Under previous GAAP, Interest free security deposits are recognized at transaction value. Under Ind AS, refundable security deposits are classified as financial assets and measured at fair value through amortized cost. The difference between transaction value and fair value at inception is recognized as prepaid expense and amortized over the tenure of the security deposit.

f. Effective interest rate on borrowing

As required under the IND AS 109 transactions costs incurred towards origination of borrowings have been deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the statement of profit and loss over the tenure of the borrowing as interest expense, computed using the effective interest rate method. Under the previous GAAP, these transaction costs were charged to the statement of profit and loss as and when incurred.

In case of Loans given, transactions costs received towards origination of advances have been deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the statement of profit and loss over the tenure of the borrowing as interest income, computed using the effective interest rate method.

g. Remeasurements of post employment benefit obligation

Both under Indian GAAP and Ind AS, the Group recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, were charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognized the net defined benefit immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

h. Deferred Taxes

The various transitional IndAS adjustments lead to temporary differences. Accordingly the Group has accounted for Deferred tax on such underlying transaction in other equity.

i. Other equity

Other Equity as at 1 April 2017 and 31 March 2018 has been adjusted consequent to the above mentioned Ind AS transition adjustments.

j. Derivative financial assets/ liabilities

Under IndAS, derivatives are marked to market as at each balance sheet date and unrealized net gain or loss is recognized. Derivative assets and liabilities are presented on gross basis. These were not separately disclosed under I-GAAP.



34

Globe Capital Market Limited
Notes to the consolidated financial statements for the year ended 31 March 2019
(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

40. Income / expenditure in foreign currency

	For the year ended 31 March 2019	For the year ended 31 March 2018
Income in foreign currency		
Income / (Expenditure) from securities and derivatives	(242.50)	123.58
Brokerage earned	70.33	31.05
Interest earned	26.62	13.18
Expenditure in foreign currency		
Travelling and conveyance	8.52	0.33
SEBI turnover fees	0.47	0.13
Membership fees	2.08	-
Interest paid	8.43	3.23
Bank charges	0.04	0.02

41. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. Nil (31 March 2018 Rs. Nil).

42. Change in liabilities arising from financing activities

Particulars	As at 31 March 2018	Cash flows	Changes in fair values	Others	As at 31 March 2019
Debt securities	9,439.78	1,001.73	-	-	10,441.51
Term loans	27,080.65	(9,463.95)	-	-	17,616.70
Inter-corporate deposits	1,637.52	3,825.94	-	-	5,463.46
Loans repayable on demand	1,596.50	7,700.00	-	-	9,296.50
Bank overdrafts	23,597.49	11,933.83	-	-	35,531.31

Particulars	As at 1 April 2017	Cash flows	Changes in fair values	Others	As at 31 March 2018
Debt securities	9,854.16	(414.38)	-	-	9,439.78
Term loans	20,207.50	6,873.15	-	-	27,080.65
Inter-corporate deposits	1,229.37	408.15	-	-	1,637.52
Loans repayable on demand	-	1,596.50	-	-	1,596.50
Bank overdrafts	21,059.72	2,537.76	-	-	23,597.49

43. Revenue from contracts with customers

The Group engaged in the business of retail and institutional broking, depository services and portfolio management services. In accordance with Ind AS 115, Revenue from contracts with customers, the revenue is accounted in the following manner under each head:

51



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

a. Brokerage income

The Group provides trade execution and settlement services to the customers in retail and institution segment. There is only one performance obligation of execution of the trade and settlement of the transaction which is satisfied at a point in time. The brokerage charged is the transaction price and is recognized as revenue on trade date basis. Related receivables are generally recovered in a period of two days as per the settlement cycle. Amount not recovered and which remain overdue for a period exceeding 90 days, are provided for.

b. Portfolio management services

The Group provides portfolio management services to its clients. As a consideration, the Group receives management fees from its clients. The performance obligation of the Group arises when it enters into a contract with its clients. The customer obtains control of the service on the date when the customer enters into a contract with the Group. The Group recognizes the revenue on completion of service over a period of time.

c. Depository services

The Group charges fees from its clients for the purpose of holding and transfer of securities in dematerialized form and for availing depository maintenance services. In case of these transactions, the performance obligation and its transaction

price is enumerated in contract with the customer. The Group recognizes the revenue both over a period of time and in point of time depending upon the nature of the transaction.

44. Segment reporting

Description of segment and principal activities

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's business is organised into three segments as mentioned below. Segments have been identified and reported taking into account the nature of services, the differing risks and returns and internal financial reporting. The Group has determined the following reporting segments based on information reviewed by the Chief Operating Decision Maker (CODM). The Managing Director and Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Chief Operating Decision-Maker.

The Group is organized primarily into two operating segments, i.e.

- Capital markets and
- Financial activity.

Capital market activities comprise brokerage income earned on secondary market transactions done on behalf of clients, services rendered as depository participant and proprietary trading in securities and derivatives.

Financial activities include providing finance to a variety of customers. Revenue from lending business includes (i) interest income and processing fee net of loan origination costs, (ii) collection related charges like cheque bouncing charges, late payment charges and foreclosure charges.

The accounting policies consistently used in the preparation of the financial statements are also applied to items of revenue and expenditure in individual segments.

Revenue and expenses directly attributable to segments are reported under each reportable operating segment. Certain revenue and expenses, which form component of total revenue and expenses, are not identifiable to specific reporting segments as the underlying resources are used interchangeably, have been allocated on the reasonable basis to respective segment. Revenue and expenses, which relate to Group as a whole and are not allocable on reasonable basis, have been disclosed under "Unallocated expenses/income". Similarly, assets and liabilities in relation to segments are categorised based on items that are individually identifiable to specific reporting segments. Certain assets and liabilities, which form component of total assets and liabilities, are not identifiable to specific reporting segments as the underlying resources are used interchangeably, have been allocated on the reasonable basis to respective segment. Assets and liabilities, which relate to Group as a whole and are not allocable on reasonable basis, have been disclosed under "Unallocated assets/liabilities".



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Segment revenue		
Capital market		
Financing activity	33,896.13	35,247.38
Unallocated	11,320.06	8,800.83
Income from operations	45,216.19	44,048.21
B. Segment results		
Capital market		
Financing activity	9,992.07	12,320.50
Unallocated	7,682.18	6,423.48
Profit before tax	17,674.25	18,743.98
Income tax expenses		
Current tax	5,492.89	6,484.66
Deferred tax	50.43	(731.40)
Prior year tax adjustment	(3.68)	(7.96)
Net Profit	12,134.58	12,998.67
C. Capital employed		
<i>Segment assets</i>		
Capital market	256,958.89	205,509.50
Financing activity	73,771.24	55,098.36
Unallocated		
Total assets	330,730.00	260,608.00
<i>Segment liabilities</i>		
Capital market	190,083.71	131,810.97
Financing activity	14,531.78	15,009.86
Unallocated		
Total liabilities	204,616.00	146,821.00
Net segment assets/liabilities	126,114.00	113,787.00
D. Capital Expenditure		
Capital market	146.83	187.27
Financing activity	85.25	123.34
Unallocated	-	-
Total	232.00	310.00
E. Depreciation		
Capital market	96.14	77.54
Financing activity	14.30	11.14
Unallocated	-	-
Total	110.44	88.68
F. Other non-cash expenditure		
Capital market	-	-
Financing activity	-	-
Unallocated	-	-
Total	-	-



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

45. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective from 1 April 2019

Ind AS 116 Leases:

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Group will adopt Ind AS 116, effective annual reporting period beginning 1 April 2019. The Group will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (1 April 2019). Accordingly, the Group will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019. On that date, the Group will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at 1 April 2019. In accordance with the standard, the Group will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Group will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Group is in the process of completing a detailed assessment of the impact on its financials.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact from this pronouncement.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any significant impact on its financial statements.



Globe Capital Market Limited

Notes to the consolidated financial statements for the year ended 31 March 2019
(All amounts are in Indian rupees in Lakhs, unless otherwise stated)

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset are ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any significant impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Group does not have any control / joint control of a business that is a joint operation.

46. Events after the reporting date

There have been no events after the reporting date that requires disclosure in these 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: 29 April 2019

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

Chartered Accountants

Firm Registration No.: 003824N

K. C. Gupta

Partner

Membership No.: 088638

Place : New Delhi

Date: 29 April 2019

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

Yashpal Mendiratta

Managing Director

DIN: 00004185

Dhiraj Jaiswal

Company Secretary

Place : New Delhi

Date: 29 April 2019

Ashok Kumar Agarwal

Whole-time Director

DIN: 00003988

Amit Kumar Singhal

Chief Financial Officer