



Annual Report 2013-2014



RISE ABOVE. LOOK BEYOND.

CONTENTS

• Company Information	1
• Directors' Reports	2
• Corporate Governance Report	7
• Management Discussion and Analysis Report	19
• Annual Accounts (standalone)	22
• Annual Accounts (consolidated)	52
• Section 212 Statement	85

29th Annual General Meeting

Date: 30th September 2014

Day: Tuesday

Time: 4:30 PM

Venue: 609, Ansal Bhawan
16 Kasturba Gandhi Marg
Connaught Place
New Delhi - 110001

GLOBE CAPITAL MARKET LIMITED

BOARD OF DIRECTORS

Mr. Ashok Kumar Agarwal	Chairman & Whole-time Director
Mr. Yashpal Mendiratta	Whole-time Director
Mr. Marc Desaeleer	Nominee Director
Mr. Sunil Kumar Jain	Independent Director
Mr. Arun Kumar Gupta	Independent Director
Mr. Alok Kumar Bansal	Independent Director

COMPANY SECRETARY

Mr. Dhiraj Jaiswal

AUDITORS

M/s BSR & Co. LLP
M/s Atul & Rajinder

BANKERS

HDFC Bank, ICICI Bank, Punjab National Bank, AXIS Bank, State Bank of India, Canara Bank, Karur Vysya Bank, State Bank of Patiala, Karnataka Bank, State Bank of Bikaner and Jaipur, Federal Bank, IndusInd Bank, Kotak Mahindra Bank, Yes Bank, Bank of Baroda, Bank of India, Development Credit Bank, Union Bank of India, State Bank of Mysore, State Bank of Travancore, Corporation Bank.

SHARE TRANSFER AGENT

Skyline Financial Services Private Limited

D-153/A, 1st Floor, Okhla Industrial Area, Phase - 1, New Delhi-110020
Ph: +91-11-26812682, 83, 84 . Fax +91-11-26812681

REGISTERED OFFICE

609, Ansal Bhawan, 16 Kasturba Gandhi Marg, Connaught Place, New Delhi - 110001, India

DIRECTORS' REPORT

Your Directors have immense pleasure in presenting the 29th Annual Report along with the Audited Accounts for the financial year ended 31st March 2014.

Financial Results

The key financial figures of your company on standalone and consolidated basis for the financial year ended 31st March 2014 are as follows:

(₹ In Lacs)

Financial Results	Standalone Basis		Consolidated Basis	
	2013-2014	2012-2013	2013-2014	2012-2013
Total Revenue	15,862.46	13,482.57	29,644.60	30,561.81
Profit Before Finance Cost, Depreciation & Tax	8,384.20	4,847.80	17,263.75	14,917.79
Less: Depreciation	106.62	120.44	124.23	135.30
Less: Finance Cost	2,312.48	1,431.51	3,561.87	3,072.12
Profit Before Tax Before Exceptional Items	5,965.10	3,295.85	13,577.65	11,710.37
Add: Exceptional Items	-	-	15.06	-
Profit Before Tax	5,965.10	3,295.85	13,592.71	11,710.37
Less: Provision for Tax				
Current	1,188.00	1,021.00	3,483.25	3,598.63
Deferred	(5.32)	(94.38)	8.45	(113.70)
Prior Year Tax Adjustments	-	(4.48)	-	(4.48)
Profit After Tax	4,782.42	2,373.71	10,101.01	8,229.92
Less: Share of Minority Interest	-	-	35.69	41.14
Add: Surplus brought forward	24,408.10	23,534.39	34,890.16	29,308.35
Less: Transition adjustment on adoption of Accounting Standard-15 (revised)	-	-	7.00	-
Amount Available for Appropriation	29,190.52	25,908.10	44,948.48	37,497.13
Appropriations				
Less: Transfer to General Reserve	2,500.00	1,500.00	2,500.00	1,500.00
Less: Transfer to Statutory Reserve U/s 45IC of RBI Act, 1934	-	-	391.86	353.10
Less: Transfer to Capital Redemption Reserve	-	-	110.00	753.87
Surplus Carried to Balance Sheet	26,690.52	24,408.10	41,946.62	34,890.16

Performance of The Company

The Election of the new government at the centre has led to fresh interest in Indian capital markets from foreign investors and also institutions. A stable INR (with an appreciating bias), downtrend for the core inflation, delivery of a better than promised fiscal deficit to GDP ratio, significant decline in the current account deficit and expectations of investment led reforms from the new government have made India a hot-pick for global investors. This year we saw a little more interest from the retail clients due to the improving economy which aided our Broking and Clearing Business.

So, on a standalone basis, your Company earned an income of ₹ 15,862.46 Lacs as against ₹ 13,482.57 Lacs during the last financial year thus registering an increase of 17.65%. Net profit after tax stood at ₹ 4,782.42 Lacs showing an increase of 101.47%, over ₹ 2,373.71 Lacs for the last financial year.

Due to imposition of CTT, and lower volumes in commodity markets, the profit has declined in our Commodity Business.

On a consolidated basis, your Company even though earned an income of ₹ 29,644.60 Lacs as against ₹ 30,561.81 Lacs during the last financial year thus showing decline of 3%. However, Net profit after tax stood at ₹ 10,101.01 Lacs, against ₹ 8,229.92 Lacs for the last financial year, showing an increase of 22.74%.

Transfer to Reserves

In view of the robust financial strength of the Company, a sum of ₹ 2,500.00 Lacs has been transferred to General Reserve out of the amount available for appropriations and a total sum of ₹ 20,500.00 Lacs as general reserve is proposed to be carried over to Balance Sheet as against ₹ 18,000.00 Lacs last year.

Dividend

With a view to preserve the financial resources for the future operations of your Company, your Directors consider it prudent not to declare any dividend for the year under consideration i.e. Financial Year 2013-14.

Fixed Deposits

The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956, read with the Companies (Acceptance of Deposit) Rules, 1975.

Share Capital

During the year under review, the authorized share capital of the Company was ₹ 51,00,00,000 comprising of 5,05,00,000 Equity Shares of ₹ 10/- each and 5,00,000 10% non-cumulative redeemable preference shares of ₹ 10 each.

Issued, Subscribed and Paid up share capital of your Company, as on 31st March 2014, stood at ₹ 32,81,25,000/- comprising of 3,28,12,500 equity shares of ₹ 10/- each.

Directors

The Company had, pursuant to the provisions of clause 49 of the listing agreement entered into stock exchange, appointed Mr. Alok Kumar Bansal, Mr. Sunil Kumar Jain, and Mr. Arun Kumar Gupta, as Independent Directors of the Company.

As per Section 149(4) of the Companies Act, 2013(Act), which came into effect from 1st April 2014, every listed public company is required to have at least 1/3 of total number of directors as Independent Directors. In accordance with the provisions of section 149 of the Act, these Directors are being appointed as Independent Directors from 1st April 2014.

Mr. Yashpal Mendiratta, Director retires by rotation in this Annual General Meeting and being eligible has offered himself for re-appointment.

Brief resume/details of the Directors who are proposed to be appointed and re-appointed have been furnished along with the Notice of the ensuing Annual General Meeting.

Your Board recommends their appointment / re-appointment at the ensuing Annual General Meeting.

Notice convening the Annual General Meeting includes the proposal for the appointment/ re-appointment of the Directors.

Brief resume of the Directors proposed to be appointed or re-appointed, nature of their expertise and names of the Companies in which they hold Directorships and Memberships/Chairmanships of Committees and/or number of shares held in the Company, as stipulated under clause 49 of the listing agreement entered with the Stock Exchange, is provided in the Report on Corporate Governance forming part of the Annual Report.

Shares Held in Dematerialised Form

As on 31st March 2014, 100% of the Company's total paid-up share capital covering 3,28,12,500 equity shares have been dematerialised.

The Company has paid custodial fees for the financial year 2014-15 to National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Auditors' Report

There is no qualification in the Auditors' Report which calls for our explanation.

Management Discussion & Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under clause 49 of the Listing Agreement, forms part of this Annual Report.

Subsidiary Companies and Consolidated Financial Statements

As at 31st March 2014, your Company had the following subsidiary & Step down subsidiary companies:

- Globe Commodities Limited (Wholly Owned Subsidiary)
- Globe Fincap Limited (Wholly Owned Subsidiary)
- Globe Derivatives and Securities Limited (Wholly Owned Subsidiary)
- Globe Comex International DMCC (Step-down Subsidiary)

As per the provisions of Section 212 of the Companies Act, 1956, the Company is required to attach, inter alia, the Directors' Report, Balance Sheet and Statement of Profit and Loss of the subsidiaries to its annual report. The Ministry of Corporate Affairs, Government of India vide its circular No. 2/2011 dated 8th February 2011 has provided an exemption to Companies from complying with the provisions of Section 212 subject to fulfillment of certain conditions as mentioned in the said circular. Accordingly, the annual report of the Company for the FY 2013-14 does not contain the financial statements of the subsidiaries. As required under the aforesaid circular and pursuant to Clause 32 of the Listing Agreement, the consolidated financial statements of the Company duly audited by the statutory auditors form part of this Annual Report.

Your Company shall make available, the audited annual accounts and related information of its subsidiaries, to those members who wish to have copies of the same and these documents will also be kept open for inspection by any member at the Registered Office of the Company on all working days, except on Saturdays between 11:00 a.m. to 3:00 p.m.

Ratings

During the year under review, Your Company had approached ICRA for rating of Commercial paper/ Short term borrowing and for this "ICRA" assigned rating of [ICRA] A1+ (pronounced ICRA A one plus) which is the highest-credit-quality rating assigned by ICRA to short term debt instrument. Instrument rated in this category carry the lowest credit risk in the short term.

Awards

It is an immense pleasure for your Company to inform that Mr. Tarun Satsangi, Head-Commodity & Currency Research, Globe Commodities Limited, was awarded "GEM of India Award" by All India Achiever's Conference.

Listing/ Delisting

The Equity Shares of the Company are presently listed at the Delhi Stock Exchange Limited ("DSE"). The Company has paid listing fees to the Exchange for the year 2014-2015.

Recently, SEBI on 24th May 2014 came with circular regarding de-recognition of exchanges. As per the circular, SEBI has given options for exclusively listed companies to deal with their security listed on non recognized exchange and presently the company is evaluating the options given by SEBI and also waiting for further clarification/course of action of SEBI/DSE in this regard.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm:

- i) that in the preparation of the annual accounts for the year ended 31st March 2014 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the year and of the profit of the Company for the year under review;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) that the Directors have prepared the accounts for year ended 31st March 2014 on a "going concern" basis.

Auditors

M/s Atul & Rajinder, Chartered Accountants (Firm Registration No. 005402N) and BSR & Co. LLP (Firm Registration No 101248 W), Chartered Accountants, will hold the office as Joint Statutory Auditors of the Company till the conclusion of forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of Section 139 of Companies Act, 2013 and the Rules framed there under.

It is now proposed to appoint M/s Atul & Rajinder, Chartered Accountants (Firm Registration No. 005402N) as a Joint Statutory Auditor of the Company from the conclusion of the forthcoming AGM till the conclusion of the thirty-second AGM, subject to ratification of their appointment at every AGM.

It is now also proposed to appoint BSR & Co LLP, Chartered Accountants (Firm Registration No. 101278 W) as a Joint Statutory Auditor of the Company from the conclusion of the forthcoming AGM till the conclusion of the thirty AGM for their last year of first tenure of five consecutive years.

During the year, the Company had received intimation from BSR & Co. LLP stating that BSR & Co. had been converted into a Limited Liability Partnership (LLP) under the provisions of the Limited Liability Partnership Act, 2008 with effect from 14th October 2013. In terms of Ministry of Corporate Affairs, Government of India, General Circular No. 9/2013 dated 30th April 2013, if a firm of Chartered Accountants, being an auditor in a Company under the Companies Act, 1956, is converted into an LLP, then such an LLP would be deemed to be the auditor of the said Company. The Board of Directors of the Company have taken due note of this change.

Accordingly, the audit of the Company for financial year 2013-14 was jointly conducted by M/s Atul & Rajinder, Chartered Accountants (Firm Registration No. 005402N) and BSR & Co. LLP (Firm Registration No 101248 W).

Particulars of Employees

There are no persons employed in the Company during the year or for part of the year who were in receipt of remuneration exceeding the sums prescribed under the provisions of Section 217(2A) of the Companies Act, 1956.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars regarding foreign exchange earnings and expenditure appear in Notes No. 2.24 in the Notes to the Accounts. Since the Company does not carry on any manufacturing activity, the other particulars in the Companies (Disclosures of particulars in the report of the Board of Directors) Rules, 1988, are not applicable.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a detailed report on Corporate Governance is included in the Annual Report. The Certificate regarding the Company's compliance with the requirements of Corporate Governance in relation to Clause 49 of the Listing Agreement forms part of the Annual Report.

Acknowledgement

Your Directors take this opportunity to thank and place on record their sincere gratitude to the exchanges, bankers, regulatory bodies, sub-brokers, trading members and other business constituents for their consistent support and co-operation in the smooth conduct of the business of the Company during the year under review.

Your Company's employees are the real assets of the Company and play an essential role in your Company scaling new heights, year after year. Your Directors place on record their deep appreciation for the exemplary contribution made by them at all levels. Your involvement as shareholders is also greatly valued. Your Directors look forward to your continued support and pledge to continue to work towards the enhancement of shareholders' value and continued growth of the Company.

For and on Behalf of the Board

Place: New Delhi
Date: 28th August 2014

Ashok Kumar Agarwal
Chairman

CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement)

(A) Company's Philosophy on Code of Corporate Governance:

Globe Capital Market Limited is committed to maintain high standards of Corporate Governance, protecting Shareholders' and Stakeholders' interests. The Company endeavours to maintain transparency at all levels through adoption of best Corporate Governance Practices.

Your Company believes that the fundamental objective of corporate governance is to enhance and protect interests of all the stakeholders. The Company's corporate governance practices emanate from its commitment towards discipline, accountability, transparency and fitness. Key elements in corporate governance are timely and adequate disclosure of requisite information, establishment of internal controls and high standards of accounting fidelity, accountability of the people at the helm as well as the quality of the product and service.

Your Company also believes that good corporate governance practices helps to enhance the performance and valuation of the Company.

(B) Board of Directors

Board Composition & Other Directorships Held:

The Directors of the Company possess professional ethics, integrity and values, and are committed towards protecting the long-term interests of all the stakeholders. The basic responsibility of the Board is to provide effective governance over the Company's affairs by ensuring the prudent business decision by the Company.

The Board has an optimum combination of Executive as well as Non Executive & Independent Directors, to ensure proper governance and management. As on 31st March 2014, the Company had six Directors with an Executive Chairman. The composition of the Board is in conformity with Listing Agreement and the Companies Act. The present strength of the Board is Six Directors comprising of four Non-Executive Directors (including three Independent Directors and one Nominee Director) and two Executive Directors.

None of the Directors hold directorship in more than 20 Companies. None of the Directors is serving as a Member of more than 10 Committees or as the Chairman of 5 Committees across all the Public Companies in which he is a Director.

During the year under review, there was no change in the composition of the Board of Directors of the Company.

The constitution of the Board as on 31st March 2014 is given below:

Director	Executive/ Non-Executive/ Independent	Number of Directorships Held in Other Companies*	Number of Memberships/Chairmanships in Various Other Board Committees**	
			Member	Member
Mr. Ashok Kumar Agarwal	Executive Chairman	2	2	1
Mr. Yashpal Mendiratta	Executive Director	1	NIL	1
Mr. Marc Desaeleer	Nominee Director	2	NIL	NIL
Mr. Sunil Kumar Jain	Non-Executive Independent Director	NIL	NIL	NIL
Mr. Arun Kumar Gupta	Non-Executive Independent Director	2	1	NIL
Mr. Alok Kumar Bansal	Non-Executive Independent Director	NIL	NIL	NIL

* For the purpose of considering the total number of Directorships, all Public Limited Companies (excluding Globe Capital Market Limited), whether listed or not, have been considered. Private Limited Companies, Foreign Companies and Companies under Section 25 of The Companies Act, 1956, however, has not been included.

** For the purpose of considering the total number of Memberships/Chairmanships of committee only Audit Committee and Shareholders'/Investors' Grievance Committees of all Public Limited Companies (excluding Globe Capital Market Limited) have been considered.

** None of the Directors is a Chairman/Member in more than 5/10 committees across all Companies in which he is a Director

(C) Board Meetings

The Board of Directors provides leadership, strategic direction and objective guidance on the affairs of the Company. The Independent Directors provide their independent judgment, external perspective and objectivity on the issues which are placed before them.

During the financial year ended on 31st March 2014, Six Board Meetings were held on 30th May 2013, 3rd June 2013, 14th August 2013, 2nd September 2013, 14th November 2013 and 11th February 2014.

The Agenda and other relevant papers were circulated well in time. The particulars of Board Meetings held during the financial year ended on 31st March 2014 as well as attendance of Directors at the Board Meetings and the last Annual General Meeting are given herein below

Name of the Directors	Number of Board Meetings Held (during the relevant period)	Number of Board Meeting Attended	Whether Attended Last AGM
Mr. Ashok Kumar Agarwal	6	6	Yes
Mr. Yashpal Mendiratta	6	6	Yes
Mr. Marc Desaeleer	6	0	No
Mr. Sunil Kumar Jain	6	5	Yes
Mr. Arun Kumar Gupta	6	6	Yes
Mr. Alok Kumar Bansal	6	6	No

(D) Remuneration/Sitting Fees Paid to All Directors on the Board for Attending BOD/Committee Meetings

Remuneration paid to Executive Directors is approved by Shareholders and is in compliance with applicable provisions of the Companies Act, 1956. No remuneration was paid to Non-Executive Directors during the financial year ended on 31st March 2014, except for sitting fees paid for attending the meetings of the Board and Audit Committee.

The details of the Remuneration/Sitting Fees paid to Directors during FY 2013-14 are given below:

Name	Relationship with other Directors	Salary and Perquisites P.A. (₹)	Sitting Fee (₹)	Total (₹)
Mr. Ashok Kumar Agarwal	-	36,39,600/-	-	36,39,600/-
Mr. Yashpal Mendiratta	-	36,39,600/-	-	36,39,600/-
Mr. Marc Desaeleer	-	-	-	-
Mr. Sunil Kumar Jain	-	-	90,000/-	90,000/-
Mr. Arun Kumar Gupta	-	-	1,00,000/-	1,00,000/-
Mr. Alok Kumar Bansal	-	-	1,00,000/-	1,00,000/-

None of the Non-Executive Directors hold any shares in the Company. The Non-Executive Directors, apart from receiving sitting fee for attending Board Meetings and Committee Meetings, did not have any other material pecuniary relationship or transaction with the Company during the year under consideration in compliance with the applicable provisions of the Companies Act.

(E) Disclosure Regarding Appointment and Re-appointment of Director

Brief description of the retiring Directors along with name of the Companies in which they hold Directorships, Memberships / Chairmanships of Committees of Board and their shareholding in the Company as required under Clause 49 of the Listing Agreement are provided as below:

Mr. Yashpal Mendiratta, Executive Director

Mr. Yashpal Mendiratta, 57 is an Executive Director and is also a Promoter of the Company. He is a Fellow member of Institute of Chartered Accountants of India having vast experience of more than 31 years in financial sector. He has multifold experience in the field of Finance/Taxation/Legal and Capital Market. He initially started his career as a practicing Chartered Accountant and with his experience and expertise started his own venture in stock market.

Apart from the above Mr. Mendiratta is also an active member of Depository Participant Association of India and Association of National Exchange Members of India. He is also member of Clearing Committee of United Stock Exchange.

Mr. Yashpal Mendiratta is not related to any Director of the Company and as on 31st March 2014, he held 57,72,900 shares of the Company.

*Details of his other Directorships and Committee Memberships on 31st March 2014 as below:

1. Globe Fincap Limited - Director
2. Globe Fincap Limited - Chairman Audit Committee

Arun Kumar Gupta, Independent Director

Mr. Arun Kumar Gupta, 55, is an Independent Director of the Company. He is a Fellow member of the Institute of Chartered Accountants of India having an experience of around 31 years. He has a vast experience in the fields of Auditing, Financial, Taxation and Corporate Law matters. He has sound knowledge in the areas of finance and taxation coupled with strong analytical skills.

Mr. Arun Kumar Gupta is not related to any Director of the Company and his shareholding was Nil as on 31st March 2014.

*Details of his other Directorships and Committee Memberships as on 31st March 2014 is as below:

1. Globe Fincap Limited - Director
2. Globe Fincap Limited - Member Audit Committee
3. Globe Commodities Limited - Director

Sunil Kumar Jain, Independent Director

Mr. Sunil Kumar Jain, 52, is an Independent Director of the Company. He is a Bachelor of Science and also a Fellow member of the Institute of Chartered Accountants of India. He has vast experience of around 29 years in Audit, taxation and Investment sector. He started his career as a Practicing Chartered Accountant and has served varied sectors with his expertise and vast knowledge in the fields of investment and finance.

Mr. Sunil Kumar Jain is not related to any Director of the Company and his shareholding was Nil as on 31st March 2014.

*Details of his other Directorships and Committee Memberships as on 31st March 2014: NIL

Alok Kumar Bansal, Independent Director

Mr. Alok Kumar Bansal, 45, is an Independent Director of the Company. He is a Fellow Member of Institute of Chartered Accountants of India. He has an experience of 19 years as a Practicing Chartered Accountant. He has experience in different fields like Auditing, Taxation and Corporate Advisory.

Mr. Alok Kumar Bansal is not related to any Director of the Company and his shareholding was Nil as on 31st March 2014.

*Details of his other Directorships and Committee Memberships as on 31st March 2014: NIL

* Note:-

- *For the purpose of considering the total number of Directorships, all Public Limited Companies (excluding Globe Capital Market Limited), whether listed or not, have been considered. Private Limited Companies, Foreign Companies and Companies under Section 25 of The Companies Act, 1956, however, has not been included.*
- *For the purpose of considering the total number of Memberships/Chairmanships of committee only Audit Committee and Shareholders'/Investors' Grievance Committees of all Public Limited Companies (excluding Globe Capital Market Limited) have been considered.*

(F) Committees of The Board:

The Board has constituted various committees to guide and help the Board in discharging its responsibilities. At the time of constitution of committees, Board fixes the terms of reference and delegates requisite authorities and responsibilities for its smooth functioning from time to time. The minutes of the meetings of all committees are circulated amongst the members at the Board Meeting for their information and consideration.

1. Audit Committee

i) Composition

This committee has been formed to monitor and provide effective supervision of the financial control and reporting process. The Audit Committee comprises of four Directors, out of whom three are Independent Non-Executive Directors namely Mr. Sunil Kumar Jain, Mr. Arun Kumar Gupta, Mr. Alok Kumar Bansal and one is Executive Director namely Mr. Yashpal Mendiratta. The Audit Committee is constituted in accordance with the provisions of the Listing Agreement and Section 292A of the Companies Act, 1956 and also in Compliance with Section 177 of Companies Act, 2013. All members of the Committee being Chartered Accountants are financially literate and are having accounting and other financial management expertise. The Chairman of the Committee Sh Sunil Kumar Jain, is an Independent, Non- Executive Director

Senior Executives of the Company are invited to participate in the meetings of the Committee as and when considered necessary. The Joint Statutory Auditors and the Internal Auditors are also invited to the meetings whenever required. The Company Secretary of the Company acts as the Secretary to all the Committee meetings.

The minutes of the meetings of the Audit Committee are circulated to all the members of the Board at the time of Board Meeting.

ii) Terms of Reference, Powers & Role of The Committee

The Board of Directors in their meeting held on 27th May 2014 revised terms of reference in compliance with Companies Act, 2013, which inter alia, include overseeing the following areas:

- a) Recommendation / approval for appointment, remuneration and terms of appointment of auditors of the company;
- b) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

- c) Hold discussions with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion, if required, to visit any area of concern;
- d) Reviewing, with the management, performance of statutory and internal auditors and also the adequacy of the internal control systems;
- e) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- f) Discussion with internal auditors about any significant findings and follow up there on;
- g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board to ensure non -occurrence of such events;
- h) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- i) Review of the appointment, removal and terms of appointment of the Chief internal auditor;
- j) oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- k) Examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - iii) Significant adjustments made in the financial statements arising out of audit findings;
 - iv) Compliance with legal requirements relating to financial statements;
 - v) Disclosure of any related party transactions; and
 - vi) Qualifications in the draft audit report.
- l) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- m) Reviewing, wherever required, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- n) Mandatorily review of the following information:
 - i) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - ii) Management letters / letters of internal control weaknesses issued by the statutory auditors; and
 - iii) Internal audit reports relating to internal control weaknesses.
- o) To investigate any activity within its terms of reference;
- p) To seek information from any employee;
- q) To obtain external legal or other professional advice;
- r) To secure advise of professionals, if it considered necessary;
- s) Approval or any subsequent modification of transactions of the company with related parties;
- t) Scrutiny and assessment of inter-corporate loans and investments;
- u) Valuation of undertakings or assets of the company, wherever it is necessary; and
- v) Evaluation of internal financial controls and risk management systems.

The Committee deals with various aspects of financial statements, adequacy of internal controls, various audit reports, compliance with accounting standards and Company's financial & risk management policies. It reports to the Board of Directors about its findings & recommendations pertaining to above matters.

iii) Number of Committee Meetings and Attendance

The Committee met four times during the year on 30th May 2013, 14th August 2013, 14th November 2013, and 11th February 2014. The gap between any two meetings was not more than four months.

The composition of Audit Committee and attendance of the members at the above mentioned meetings is as follows:

Name of the Director	Status	No. of Meetings Held	No. of Meetings Attended
Mr. Sunil Kumar Jain	Chairman	4	4
Mr. Yashpal Mendiratta	Member	4	4
Mr. Arun Kumar Gupta	Member	4	4
Mr. Alok Kumar Bansal	Member	4	4

iv) Review of Information by the Audit Committee

The Audit Committee reviews the reports of the Internal Auditors, meets Statutory Auditors as and when required & discusses their findings, observations, suggestions, internal control system, scope of audit and other related matters.

2. Shareholder's Grievance Committee

Since the Company has not received any investor/shareholder complaint during last few years and also because its shareholding is not widely spread, no need was felt to form the Shareholder's Grievance Committee. The related matters/issues, if any, shall be and are being handled and resolved by the Board Members of the Company only. During the year there were no such complaints received by the Company.

3. Other Committees

Besides above-mentioned committees, the Company has the Finance/Management Committee as the other working committee of the Board.

The Board of Directors in their meeting held on 27th May 2014 constituted Nomination and Remuneration Committee in compliances with Companies Act, 2013, consisting of the following members namely:

- i. Mr. Arun Kumar Gupta - Chairman
- ii. Mr. Ashok Kumar Agarwa - Member
- iii. Mr. Sunil Kumar Jain - Member
- iv. Mr. Alok Kumar Bansal - Member

Also the Board of Directors in their meeting held on 27th May 2014 constituted Corporate Social Responsibilities Committee in compliances with Companies Act, 2013, consisting of the following members namely:

- i. Mr. Yashpal Mendiratta - Member
- ii. Mr. Ashok Kumar Agarwal - Member
- iii. Mr. Arun Kumar Gupta - Member
- iv. Mr. Sunil Kumar Jain - Member
- v. Mr. Alok Kumar Bansal - Member

(G) General Body Meetings

Details of last three Annual General Meetings of the Company are given here under:

Year	Day & Date	Venue	Time	Special Resolution
2012-13	30 th September 2013 Monday	612, Ansal Bhawan, 16 K.G. Marg, New Delhi-110001	4:30 P.M.	None
2011-12	28 th September 2012 Friday	611, Ansal Bhawan, 16 K.G. Marg, New Delhi-110001	5:30 P.M.	None
2010-11	29 th September 2011 Thursday	611, Ansal Bhawan, 16 K.G. Marg, New Delhi-110001	5:30 P.M.	None

(H) Material Non-listed Indian Subsidiaries

The Company has two Material Non-listed Indian Subsidiaries viz. Globe Fincap Limited and Globe Commodities Limited as on 31st March 2014. The detail of the Independent Directors of the Company on the Board of two material non-listed Indian Subsidiaries as on 31st March 2014 is given below:

Name of the Subsidiary Company	Nature of Business	Name of the Independent Director
Globe Fincap Limited	Non-Banking Financial Company	Mr. Arun Kumar Gupta
Globe Commodities Limited	Commodity Broking	Mr. Arun Kumar Gupta

The Audit Committee of the Company also reviews the financial statements of the subsidiary companies. The minutes of the Board Meetings of all the unlisted Indian subsidiary companies are placed at the Board Meeting of the Company. The management also periodically brings to the attention of the Board of Directors, a statement of all significant transactions and arrangements entered, if any, by all the unlisted subsidiary companies.

(I) Disclosures

1. Related party transactions as required by the Accounting Standard (AS) 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) have been disclosed in Notes to the Annual Accounts. Member may refer to these notes to accounts for details of all related party transactions. However, such transactions are not having conflict with the interest of the company at large;
2. There were no material instances of non-compliance and no strictures were passed against the Company on any matter relating to its Capital Market operations during the last three years from any regulators;
3. The Board of Directors of the Company has laid down a Code of Conduct for its Members as well as the Senior Management Personnel of the Company. A declaration of compliance of the Code of Conduct forms part of the Annual Report;
4. The Company has followed all the applicable Accounting Standards in the preparation of its financial statements;
5. The Company is complying with the applicable mandatory requirements of Clause 49 of the Listing Agreement;
6. The Board reviews the adoption of non-mandatory requirements of Clause 49 of the Listing Agreement by the Company from time to time;
7. The Company does not have any Whistle Blower Policy as of now but no personnel is being denied any access to the Audit Committee;
8. One Whole-time Director and the Chief Financial Officer of the Company have placed before the Board, a certificate in respect of the Financial Statements and the Cash Flow Statement of the Company for the year ended on 31st March 2014.

J) Means of Communication

The Quarterly Unaudited Financial Results and the Annual Audited Financial Results, after being approved and taken on record by the Board of Directors of the company are published in two leading national newspapers, i.e. Economic Times (English & Hindi), Nav Bharat Times and are also sent immediately to the Stock Exchange and also it can be viewed and copied by investors from the website of the Company (www.globecapital.com).

(K) Management Discussion and Analysis Report

The Management Discussion and Analysis Report is attached as a separate Annexure.

(L) Certificate on Corporate Governance

As required by Clause 49 of the Listing Agreement, a certificate issued by M/s Atul & Rajinder, Chartered Accountants regarding compliance of conditions of Corporate Governance is given as an Annexure to this report.

(M) General Shareholder Information:

- | | |
|---|--|
| (a) Day, Date, Time and Venue of Annual General Meeting | : Tuesday 30 th September 2014 at 4:30 P. M.
609, Ansal Bhawan, 16 K G Marg
New Delhi-110001 |
| (b) Financial Year | : 1 st April to 31 st March |
| (c) Dates of Book Closure | : 29 th September 2014 to 30 th September 2014
(Both days are inclusive) |
| (d) Dividend Payment Date | : No dividend has been recommended
for the financial year 2013-14 |
| (e) Listing on Stock Exchange | : Delhi Stock Exchange Limited (DSE) |
| (f) Stock Code | : 4981 |
| (g) ISIN No. | : INE081J01013 |
| (h) Market Price Data | : The Company is only listed on DSE, Since no trading
activity has taken place at the DSE during the year,
so no market data is available. |

Listing and Custodian Fees

Annual Listing fees have been paid to DSE, and Annual Custodian fees have been paid to NSDL & CDSL for the financial year 2014-15.

Address of the Registrar and Share Transfer Agents

Skyline Financial Services Pvt. Ltd.

D-153/A, 1st Floor, Okhla Industrial Area Phase – 1,
New Delhi-110020
Ph : +91-11-26812682, 26812683,
E-mail : contact@skylinerta.com

Name and Designation of Compliance Officer

Mr. Dhiraj Kumar Jaiswal

Company Secretary
Ph: + 91 - 011 – 3041 2345
Fax: +91 - 011 – 2372 0883
E-mail: dhirajkjaiswal@globecapital.com

Share Transfer System

As on 31st March 2014, 100% of the Company's total paid up equity shares were held in demat form with NSDL. During the year under review, the Company has admitted its equity shares with Central Depository Services (India) Limited (CDSL) for availing electronic connectivity services for Company's equity shares.

Approximate time taken for share transfer if the documents are clear in all respects	: Since the company shares is 100% in dematerialised form so transfer of shares takes place on real time basis
Total no. of shares dematerialised as on 31 st March 2014	: 3,28,12,500 (100.00%)
Total no. of shares held in physical form as on 31 st March 2014	: NIL
Number of shares pending for transfer as on 31 st March 2014	: NIL

As required under Clause 47(c) of Listing Agreement of Stock exchanges, the Company obtains a certificate on half-yearly basis from Company Secretary-in-practice, regarding share transfer formalities, copy of which has filed with the Stock Exchange.

Distribution of Shareholding as on 31st March 2014:

Categories	No. of Shareholders	Percentage (%)	No. of Shares Held	Percentage (%)
0-5000	4	20	4389	0.013
5001-10000	-	-	-	-
10001-20000	-	-	-	-
20001-30000	1	5	23,982	0.073
30001-40000	-	-	-	-
40001-50000	-	-	-	-
50001-100000	-	-	-	-
100001 and above	15	75	3,27,84,129	99.914
Total	20	100.000	3,28,12,500	100.000

Category of Shareholders on 31st March 2014 (demat form)

S.No.	Category	No. of shareholders	No. of Shares held	% of total shares
1	Resident Individuals	-	-	-
2	Bodies Corporates	-	-	-
3	FII/Mutual Fund/UTI/Banks	-	-	-
4	Promoter & Promoter Group	13	2,62,50,000	80.00
5	NRI/OCBs/FIIs	2	65,34,129	19.91
6	Others	5	28,371	0.09
	Total	20	3,28,12,500	100.00

Outstanding GDRs/ADRs/Warrants/Options:

The Company has not issued any of these instruments during the year under review.

Plant Locations

Not Applicable

Investor Correspondence Address:

Company	Globe Capital Market Limited 609, Ansal Bhawan, 16 K.G Marg, New Delhi - 110001 Phone: +91-11-30412345 Fax: +91-11-41520276 E-mail: dhirajkajiswal@globecapital.com
Registrar	Skyline Financial Services Pvt. Ltd. D-153/A, 1 st Floor, Okhla Industrial Area Phase – 1, New Delhi - 110020 Ph: +91-11-26812682, 26812683, E-mail: contact@skylinerta.com
Depositories	<p>National Securities Depository Limited Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400 013 Tel.: +91-22-2499 4200; Fax: +91-22-2497 2993 E-mail: info@nsdl.co.in</p> <p>Central Depository Services (India) Limited Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai- 400 001 Tel.: +91-22-22723333; Fax: +91-22-22723199 E-mail: investors@cdslindia.com</p>

CEO and CFO Certification

(For Financial Year 2013-14)

We, Yashpal Mendiratta, Whole-time Director and Manish Agrawal, Chief Financial Officer of Globe Capital Market Limited ("the Company") responsible for the Finance function of the Company certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2014 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2014 are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit committee:
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **Globe Capital Market Limited**

Place: New Delhi
Date: 28th August 2014

Yashpal Mendiratta
Whole-time Director

Manish Agrawal
Chief Financial Officer

Declaration as Required Under Clause 49 of The Listing Agreement

I, Yashpal Mendiratta, Whole-time Director of the Company, hereby declare that the Board of Directors has laid down a Code of Conduct for the Board Members & Senior Management of the Company and the Board Members & Senior Management have affirmed compliance with the Code of Conduct.

For **Globe Capital Market Limited**

Place: New Delhi
Date: 28th August 2014

Yashpal Mendiratta
Whole-time Director

Certificate on Corporate Governance

To the Members of Globe Capital Market Limited

We have examined the compliance of the conditions of Corporate Governance by Globe Capital Market Limited for the year ended 31st March 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned clause of the Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March 2014, no investor grievances are pending against the Company.

We further state that such compliance is neither assurance as to the future viability of the Company nor the efficiency or effectiveness with which management has conducted the affairs of the Company.

Rajinder Malhotra
Proprietor
Membership No. F83680
For Atul & Rajinder
Chartered Accountants
Place: New Delhi
Date: 28th August 2014

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic Overview

After a decade of rapid growth, peaking over 9%, Indian Economy is now growing around 5% though on account of the change in the government at the centre and also due to some favorable policies of the new governor of RBI, the macroeconomic indicators have improved and the INR has stabilized which is also evident from the ongoing rally in the capital markets.

India's Balance of Payment (BoP) situation has improved significantly with Current Account Deficit (CAD) for FY14 coming down sharply to 1.7% of GDP from ~5% in FY13. The International Monetary Fund (IMF) in its World Economic Outlook has projected the global growth to strengthen from 3.00% in 2013 to 3.10% in 2014 and 3.90% in 2015. The World Bank has projected an economic growth rate of 5.7 per cent for the Indian economy for the FY 15, thanks to a more competitive exchange rate and several significant investments going forward.

The Election of the new government at the centre has led to renewed interest of foreign investors and institutions in Indian capital markets. A stable INR (with an appreciating bias), downtrend for the core inflation, delivery of a better than promised fiscal deficit to GDP ratio, significant decline in the current account deficit and expectations of investment led reforms by the new government have made India a hot-pick for global investors. The Honorable Finance Minister has projected that in the coming months our GDP will definitely grow. Finance Minister has also taken steps to increase the limits of FDI in many sectors, which will strengthen our industrial outlook. Due to better infrastructure and more employment opportunities improved standard of living will come our way. The Government is planning to invest US\$ 1.2 trillion in infrastructure sector, this will go a long way in improving competitive edge of the Indian industry and thus will give a boost to India's growth story.

Industry Overview

Capital Markets play a vital role in the progress of an economy. Stock markets reflect an economy's present health and are also helpful in predicting the future prospects. FY14 was yet another difficult year for the domestic share brokerage industry despite the pick-up in trading volumes in the later half of the year. The rupee volatility, current account deficit, fiscal deficit, persistent inflation along with perceived delays in policy formulation altogether contributed to erosion in investor confidence in the Indian capital market during a major part of the year.

At the industry level, Equity Average Daily Volumes (ADV) rose by 22% to ₹ 511 trillion in FY14 buoyed by the continued rise in volumes of option trading, which accounted for 78% of the overall market volumes in FY14 (76% in FY13). Despite the modest rise of 2% in FY14 after the last few years of steady decline, the proportion of cash volumes to overall traded equity volumes continued to decline to 6.5% as compared to 7.8% in FY13. On the other hand, futures volumes rose by 19% in FY14 while options volumes displayed a strong growth of 25% over the same period. Anecdotal evidence suggests that more and more non-institutional investors have been taking a liking to trading in options. ICRA estimates the overall equity brokerage revenue pool for FY14 to be in the range of ₹ 96-98 bn, a marginal 1-2% growth over that for FY13. The underperformance of the retail equity brokerage revenue pool may have been partially compensated by the performance of the institutional brokerage piece over the same period.

Commodities broking has been one of the brighter spots in the otherwise lackluster performance of the Indian brokerage industry over the last 2-3 years. Lack of competition from banker-brokers and foreign brokers as well as strong future prospects meant brokers had taken to commodities broking in an attempt to diversify their revenue profile. However FY14 ended as one of the most disappointing years for commodities broking on account of the imposition of the Commodities Transaction Tax (CTT) which took away a large chunk of jobber/arbitrageur volumes from the market and impacted liquidity. This combined with lower volatility in the commodity prices coupled with the NSEL crisis and its fallout further impacted volumes, which then became a self-feeding phenomenon. Accordingly the commodity ADV declined to ₹ 102 trillion in FY14 compared to ₹ 170 trillion in FY13 representing a decline of 40% on a Y-o-Y basis.

Regulatory changes also impeded the growth of the currencies broking segment where volumes sharply declined by over 50% in FY14 as compared to FY13. However, due to recent regulatory changes, the prospect looks better.

Segment Wise Performance

The primary business of the Company is to deal in the Capital Market Segment and ancillary activities, which includes both Capital Market as well as Capital Market Operations. In addition, the Company through its subsidiary is carrying on non-banking financing activities as well.

The year under review saw a minor revival in the capital markets in the second half which aided our performance in Equity Segment.

As compared to last year, this year saw a little more interest from the retail clients due to the improving economy and investor sentiment which saw our Broking and Clearing Business look up during the year under consideration.

Due to imposition of CTT and lower volumes in commodity markets, the margins went down in our Commodity Brokerage Business.

Globe Fincap Limited, which is the NBFC subsidiary of the Company, continues to expand financing activities and grant Loans against securities and other loans, which are popular with our clients.

Globe Derivatives and Securities Limited is performing well in its core area i.e. dealing in securities and commodities.

Outlook and Opportunities

The outlook for 2014-15 is more positive as businesses and consumer sentiments have both revived in a changing environment. FY14 was not that much fruitful as expected by the investors, Indian economic growth remained unchanged during the year. However after the economic slowdown in the previous year, India's growth is now gaining momentum. First quarter of FY15 was good, and from here we can anticipate that the remaining year will definitely come with new opportunities. With strengthening of the economy and the country's growth prospects looking positive, we continue to be optimistic about the Company's opportunities and potential profit avenues in the financial services sector.

New government has brought in new hopes. As the New Government takes charge, a sense of confidence is being built towards both the domestic prospects as well as global perception about India as a preferred investment destination. This would play an essential role while endeavoring to bring Indian economy back on track. As the beginning of FY 14-15 is good, it is hoped that the rest of the year will prove to be one of improving macros which would ensure a long term stable growth supported by strong financial governance, with the goal of achieving sustainable superior returns while assuming prudent operating risks. We will continue to take advantage of the opportunities presented by the economy to consolidate our position as one of the premier financial services group in India.

Risks and Concerns

The financial services sector is subject to a continuously evolving legislative and regulatory environment due to increasing globalization, integration of the world markets, newer and more complex products, transactions and an ever increasing stringent regulatory framework. Risk management is thus one of the most critical functions for the hindrance free growth of the organization, which helps in delivering superior shareholder value by achieving an appropriate tradeoff between risks and returns. Risk is an integral part of the business and we are aimed at delivering superior shareholder value by achieving an appropriate balance between risks and returns.

The Company has developed comprehensive risk management policies and processes to deal with the risks that are encountered in conducting business activities in an effective manner and there is a regular process to review its policy from time to time with the rapidly changing financial sector and emerging challenges in the equity market.

Internal Control Systems and their Adequacy

The Company has in place adequate systems of internal control. It has procedures covering financial, operating and management functions. These controls have been designed to provide a reasonable assurance with regard to maintaining proper accounting control, monitoring of operations, protecting assets from losses due to unauthorized and improper use, due compliances with regulations and for ensuring reliability of financial reporting.

The internal control system is supplemented by internal audits and is also reviewed by management and the Audit Committee of Board from time- to- time on a regular basis.

Human Resources

At Globe, we offer a well-defined career path in the financial services sector, with ample opportunities to think, explore, learn and grow. With trust being the pivot of our business, we lay strong emphasis on integrity, teamwork, innovation and performance.

The company has a robust team in place to manage all aspects of its present business. We have an interesting mix of professionals from diverse backgrounds. They bring varied talent, knowledge and experience to the Company, helping our business to remain competitive and achieve great success.

Your Company continuously recruits skilled professional from various streams to meet its business requirements. Your Company endeavors to maintain a positive work environment and constructive relationship with its employees with a continuing focus on productivity and efficiency.

Disclaimer

Statements in the management discussion and analysis report describing the Company's outlook may differ from the actual situation. Important factors that would make a difference to the Company's operations include market factors, government regulations, and developments within the country and abroad.

We are under no obligation to publicly amend, modify or revise any forward looking statement on the basis of any subsequent developments, information or events and assume no liability for any action taken by anyone on the basis of any information contained herein.

INDEPENDENT AUDITORS' REPORT

To the Members of

Globe Capital Market Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Globe Capital Market Limited ('the Company'), which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

2 As required by Section 227(3) of the Act, we report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
- (iii) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act, to the extent applicable; and
- (v) on the basis of written representations received from the directors of the Company as on 31 March 2014 and taken on record by the Board of Directors, none of the Directors is disqualified as at 31 March 2014 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

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

For **Atul & Rajinder**
Chartered Accountants
Firm Registration No.: 005402N

Jiten Chopra
Partner
Membership No.: 092894

Rajinder Malhotra
Proprietor
Membership No.: 083680

Place: Gurgaon
Date: 27th May 2014

Place: Delhi
Date: 27th May 2014

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

Annexure to the Independent Auditors' Report

(Referred to in our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) Fixed assets disposed-off during the year were not substantial, and therefore, do not affect the going concern assumption.
- ii. (a) As informed to us, the inventory, which is in the nature of securities, has been physically verified by the management during the year, either by actual inspection or on the basis of statement received from depository participants in respect of shares held as inventory. In our opinion, the frequency of such verification is reasonable.
(b) The procedures for the physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records in respect of inventory. No material discrepancies have been noticed on physical verification of inventory.
- iii. The Company has neither granted nor taken any loan, secured or unsecured, to or from the companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of fixed assets and inventory and sale of goods and services. We have not observed any material weaknesses in the internal control system during the course of our audit.
- v. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act, have been entered in the register required to be maintained under that section.
(b) In our opinion, and according to the information and explanations given to us, there were no transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of ₹ 5 lakh with any party during the year that have been made at prices which are not reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act for any of the business activities of the Company.
- ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Service tax, Income-tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance, Sales-tax, Wealth tax, Excise duty, Custom duty and Investor Education and Protection Fund.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Service tax, Income-tax, and other material statutory dues were in arrears as at 31 March 2014 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, and Service tax which have not been deposited with the appropriate authorities on account of any dispute.
- x. The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the current and in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any dues to the financial institutions or debenture holders during the year.

- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion and according to the information and explanations given to us, the Company is not a chit fund/ nidhi/ mutual benefit fund/society.
- xiv. According to the information and explanations given to us, the Company has maintained proper records of transactions and contracts in respect of trading in shares, securities, debentures and other investments and timely entries have been made therein. Further, securities held as inventory have been held by the Company in its own name or in the name of its nominee except to the extent of the exemption granted under Section 49 of the Act.
- xv. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- xvi. The Company did not have any term loan outstanding during the year.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Act.
- xix. The Company did not have outstanding debentures during the year.
- xx. The Company has not raised any money by public issues.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

For **Atul & Rajinder**
Chartered Accountants
Firm Registration No.: 005402N

Jiten Chopra
Partner
Membership No.: 092894

Rajinder Malhotra
Proprietor
Membership No.: 083680

Place: Gurgaon
Date: 27th May 2014

Place: Delhi
Date: 27th May 2014

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

GLOBE CAPITAL MARKET LIMITEDBalance Sheet as at 31st March 2014

		Amount In "₹"	
	Note	As at 31 st March 2014	As at 31 st March 2013
Equity and liabilities			
Shareholders' funds			
Share capital	2.1	328,125,000	328,125,000
Reserves and surplus	2.2	6,058,377,133	5,580,134,662
Non-current liabilities			
Long-term provisions	2.3	14,814,009	14,482,149
Current liabilities			
Short-term borrowings	2.4	1,069,191,890	248,508,916
Trade payables	2.5	14,512,804	17,113,529
Other current liabilities	2.6	3,608,916,668	3,730,059,396
Short-term provisions	2.7	4,128,796	4,064,422
	Total	11,098,066,300	9,922,488,074
Assets			
Non-current assets			
Fixed assets	2.8		
Tangible assets		31,024,819	42,190,387
Intangible assets		50,112	446,470
Non-current investments	2.9	2,721,387,143	2,722,672,031
Deferred tax assets (net)	2.10	14,360,413	13,828,116
Long-term loans and advances	2.11	160,000,246	150,975,152
Other non-current assets	2.12	465,631,803	1,873,350,169
Current assets			
Inventories	2.13	1,934,302,153	795,642,829
Trade receivables	2.14	188,144,279	189,531,977
Cash and bank balances	2.15	4,530,254,745	3,317,371,404
Short-term loans and advances	2.16	993,827,717	764,448,658
Other current assets	2.17	59,082,870	52,030,881
	Total	11,098,066,300	9,922,488,074

Significant accounting policies and notes to the financial 1, 2

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

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

For **Atul & Rajinder**
Chartered Accountants
Firm Registration No.: 005402N

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

Jiten Chopra
Partner
Membership No.: 092894

Rajinder Malhotra
Proprietor
Membership No.: 083680

Yashpal Mendiratta
Director

Ashok Kumar Agarwal
Director

Pradeep Khandelwal
Company Secretary

Place: Gurgaon
Date: 27th May 2014

Place: New Delhi
Date: 27th May 2014

Place: New Delhi
Date: 27th May 2014

GLOBE CAPITAL MARKET LIMITEDStatement of Profit and Loss for the year ended 31st March 2014

		Amount In "₹"	
	Note	For the year ended 31 st March 2014	For the year ended 31 st March 2013
Revenue			
Revenue from operations	2.18	1,586,070,363	1,348,081,032
Other income	2.19	175,942	175,928
Total revenue		1,586,246,305	1,348,256,960
Expenses			
Employee benefits expense	2.20	310,298,806	374,005,825
Other expenses	2.21	437,527,200	489,470,879
Finance cost	2.22	231,248,278	143,151,370
Depreciation and amortisation	2.8	10,661,848	12,043,703
Total expenses		989,736,132	1,018,671,777
Profit before tax		596,510,173	329,585,183
Tax expenses			
Current income-tax		118,800,000	102,100,000
Deferred tax charge/(credit)		(532,298)	(9,438,165)
Prior year tax adjustment		-	(447,690)
Profit after tax for the year		478,242,471	237,371,038
Earnings per equity share (par value ₹ 10 per share)			
Basic and diluted earnings per share (₹)	2.28	14.58	7.23
Significant accounting policies and notes to the financial statements	1, 2		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

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

For **Atul & Rajinder**
Chartered Accountants
Firm Registration No.: 005402N

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

Jiten Chopra
Partner
Membership No.: 092894

Rajinder Malhotra
Proprietor
Membership No.: 083680

Yashpal Mendiratta
Director

Ashok Kumar Agarwal
Director

Pradeep Khandelwal
Company Secretary

Place: Gurgaon
Date: 27th May 2014

Place: New Delhi
Date: 27th May 2014

Place: New Delhi
Date: 27th May 2014

GLOBE CAPITAL MARKET LIMITEDCash Flow Statement for the year ended 31st March 2014Amount
In "₹"

Particulars	For the year ended 31 st March 2014	For the year ended 31 st March 2013
Cash flow from operating activities		
Profit before tax	596,510,173	329,585,183
Add:		
Depreciation and amortisation	10,661,848	12,043,703
Bad debts written-off	-	6,203,736
Provision for doubtful debts	-	17,955,431
Provision for doubtful advances	-	1,103,335
Loss on sale of fixed assets (net)/written-off	2,268,140	668,471
Discount on issuance of commercial paper (included in other borrowing cost)	8,152,899	
Interest expense on loans and overdrafts	94,040,356	35,893,745
Less:		
Gain on sale of investments (net)	(208,920)	(28,778,622)
Dividend income on non-current investments	(1,974,427)	(2,291,499)
Provision/ liabilities no longer required written-back	(3,823,720)	(41,854)
Operating profit before working capital changes	705,626,349	372,341,629
Adjustments for:		
(Increase)/decrease in inventories	(1,138,659,324)	826,220,009
(Increase)/decrease in trade receivables	1,387,698	16,816,393
(Increase)/decrease in loans and advances (refer note 2 below)	(228,695,838)	(280,013,735)
(Increase)/decrease in other current assets	(7,051,989)	(25,119,322)
(Increase)/decrease in other bank balances (refer note 3 below)	203,331,600	(1,804,548,000)
Increase/(decrease) in trade payables	1,222,995	3,199,646
Increase/(decrease) in other current liabilities and provisions (refer note 2 below)	(120,746,494)	826,305,937
Cash generated from operations	(583,585,003)	(64,797,443)
Income taxes paid (gross)	(130,318,532)	(128,549,630)
Net cash from/ (used in) operating activities (A)	(713,903,535)	(193,347,073)
Cash flow from investing activities		
Purchase of fixed assets	(2,048,300)	(13,899,754)
Proceeds from sale of fixed assets	680,236	584,748
Purchase of investments	(9,188,928)	(127,106,047)
Proceeds from disposal of investments	10,682,735	283,638,421
Dividend on long-term investments	1,974,432	2,291,499
Net cash from/ (used in) investing activities (B)	2,100,175	145,508,867

Cash flow from financing activities

Interest paid on loans and overdrafts	(94,040,356)	(35,893,745)
Proceeds from term loans	700,000,000	-
Repayment of term loans	(700,000,000)	-
Proceeds from commercial paper	685,902,350	-
Repayment of commercial paper	(450,000,000)	-
Proceeds from/(repayment of) - bank overdrafts (net)	576,627,724	(30,325,716)
Net cash used in financing activities (C)	718,489,718	(66,219,461)
Net increase/(decrease) in cash or cash equivalents (A+B+C)	6,686,358	(114,057,667)
Cash and cash equivalent at the beginning of the year (refer Note 2.15)	25,571,404	139,629,072
Cash and cash equivalent at the end of the year (refer Note 2.15)	32,257,762	25,571,404

Notes:

1. The above Cash Flow Statement has been prepared under the indirect method set out in AS-3 on 'Cash Flow Statement' as notified under Companies (Accounting Standard) Rules, 2006.
2. Include both long-term and short-term assets/ liabilities.
3. Fixed deposits and related interest income have been included in the operating activities, since these are directly attributable to the primary revenue generating operations of the Company. Interest expense on others and other borrowing cost (excluding discount on commercial paper) has been included in operating activities.
4. Previous year figures have been regrouped/reclassified wherever necessary to confirm to the current year classification.

As per our report of even date attached

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

For **Atul & Rajinder**
Chartered Accountants
Firm Registration No.: 005402N

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

Jiten Chopra
Partner
Membership No.: 092894

Rajinder Malhotra
Proprietor
Membership No.: 083680

Yashpal Mendiratta
Director

Ashok Kumar Agarwal
Director

Pradeep Khandelwal
Company Secretary

Place: Gurgaon
Date: 27th May 2014

Place: New Delhi
Date: 27th May 2014

Place: New Delhi
Date: 27th May 2014

GLOBAL CAPITAL MARKET LIMITED

Significant accounting policies and notes to the financial statements for the year ended 31st March 2014
(All amounts are in ₹)

1. Significant Accounting Policies

(i) Basis of Preparation

The financial statements are prepared under the historical cost convention on a going concern basis, on the accrual basis of accounting, in accordance with the Generally Accepted Accounting Principles ('GAAP') in India, accounting standards prescribed under the Companies (Accounting Standards) Rules, 2006, relevant pronouncements of the Institute of Chartered Accountants of India ('ICAI') and the presentational requirements of the Companies Act, 1956 as adopted consistently by the Company.

(ii) Current/ Non-current Classification

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

Assets

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

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

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

All other assets are classified as non-current.

Liabilities

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

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

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

All other liabilities are classified as non-current.

Operating Cycle

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

(iii) Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets

and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Adjustments as a result of differences between actual results and estimates are recognized prospectively.

(iv) Revenue Recognition

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

Equity Index and Derivatives

- 1 'Initial Margin' representing Initial Margin paid, and 'Margin Deposits', representing additional margin over and above initial margin, for entering into contracts for equity index/ stock futures, which are released on final settlement/ squaring-up of underlying contracts, are disclosed under 'Short-Term Loans and Advances'.
- 2 Equity Index/ Stock Futures are marked-to-market on a daily basis. Debit or Credit balance disclosed under 'short term loans and advances' or 'other current liabilities', respectively, in the 'Mark-to-Market Margin–Equity Index/ Stock Futures Account', represents the net amount paid or received on the basis of movement in the prices of Index/ Stock Futures till the Balance Sheet date.
- 3 As at the Balance Sheet date, profit/ loss on open positions in Index/ Stock Futures are accounted for as follows:
 - Credit balance in the 'Mark-to-Market Margin–Equity Index/ Stock Futures Account', being anticipated profit, is ignored and no credit for the same is taken in the Statement of Profit and Loss.
 - Debit balance in the 'Mark-to-Market Margin–Equity Index/ Stock Futures Account', being anticipated loss is adjusted in the Statement of Profit and Loss.
 - On final settlement or squaring-up of contracts for Equity Index/ Stock Futures, the profit or loss is calculated as the difference between settlement/ squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/ squared-up contract in 'Mark-to-Market Margin–Equity Index/ Stock Futures Account' is recognized in the Statement of Profit and Loss. When more than one contract in respect of the relevant series of equity index futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using FIFO method for calculating profit/loss on squaring-up.
- iii. Income from interest on fixed deposit is recognized on a time proportion basis, based on applicable interest rates.
- iv. Dividend from investments is accounted for as income when the right to receive dividend is established.
- v. Income from depository and portfolio management services is accounted for on an accrual basis.
- vi. In respect of other heads of income, the Company follows the practice of recognizing income on an accrual basis.

(v) Fixed Assets (including intangible assets) and Related Depreciation/ Amortization

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

Depreciation on fixed assets other than intangible assets is provided on straight-line basis at the rates provided in Schedule XIV of the Companies Act, 1956, which in the opinion of the management represents the best estimate of useful life of these assets.

Amortization of Intangible Assets comprising computer software has been provided at straight-line basis over a period of five years, which in the opinion of the management represents the best estimate of useful life of these assets.

Fixed Assets costing ₹ 5,000 or less are fully depreciated in the year of purchase.

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

(vi) Impairment

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

(vii) Investments

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

(viii) Inventories

Inventories or Stock-in-Trade is valued at lower of cost and Net Realizable Value. Cost Comprises Expenditure incurred in the normal course of business in bringing such stock to their location and conditions and includes appropriate overheads. Stock-in-Trade includes stock pledged, if any, against secured loans from banks and kept as margin/ securities with the stock exchanges and does not include stocks held on behalf of clients/ constituents. Cost is calculated on FIFO basis.

(ix) Employee Benefits

The Company's obligation towards various employee benefits is recognized as follows:

Short-term employee benefits

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

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

Defined Contribution Plan

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

Defined Benefit Plan

The Company pays gratuity to employees who retire or resign after a minimum period of five years of continuous service. The gratuity liability as at year end is determined by an independent actuary appointed by the Company. Actuarial valuation of gratuity liability is calculated based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the Projected Unit Credit Method. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs.

(x) Current and Deferred Tax

Income-tax expense comprises Current Tax (i.e. amount of tax for the year determined in accordance with the Income-tax law) and Deferred Tax Charge or Credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). The Deferred Tax Charge or Credit and the corresponding Deferred Tax Liabilities or Assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under Taxation Laws, Deferred Tax Assets are recognized only if there is a virtual certainty of realization of such assets.

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

(xi) Foreign Currency Transactions

Foreign Currency Transactions are accounted for at the exchange rate prevailing on the date of the transaction. Exchange Difference arising due to the differences in the Exchange Rate between the transaction date and the date of settlement of any monetary items is recognized in the Statement of Profit and Loss.

Monetary assets and monetary liabilities denominated in foreign currency are translated at the Exchange Rate prevailing at the date of Balance Sheet and Resultant Gain/ Loss, if any, is recorded as an income or expense in the period in which they arise.

(xii) Leases

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

(xiii) Provision, Contingent Liabilities and Contingent Assets

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

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

Contingent Assets are not recognized in the financial statements. However, contingent asset are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

(xiv) Earnings Per Share

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

(xv) Cash and Cash Equivalents

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

(xvi) Commercial Paper

In respect of Commercial Papers issued, the difference between the Redemption Value and Acquisition value of Commercial Paper is amortized over the tenure of the instrument. The Liability as at the Balance Sheet date with respect to such instruments is recognized at face value net of unamortized discount.

GLOBE CAPITAL MARKET LIMITEDSignificant accounting policies and notes to the financial statements for the year ended 31st March 2014

2. Notes to the Financial Statements

Amount
In "₹"

	As at 31 st March 2014	As at 31 st March 2013
2.1(a): Share capital		
Authorised		
50,500,000 (previous year 50,500,000) equity shares of ₹ 10 each	505,000,000	505,000,000
500,000 (previous year 500,000) 10% Non-Cumulative Redeemable Preference Shares of ₹ 10 each.	5,000,000	5,000,000
Issued, Subscribed and Fully Paid-up:		
32,812,500 (previous year 32,812,500) equity shares of ₹ 10 each	328,125,000	328,125,000
	328,125,000	328,125,000

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

	As at 31 st March 2014		As at 31 st March 2013	
	Number	Amount	Number	Amount
At the beginning of the year	32,812,500	328,125,000	32,812,500	328,125,000
Issued during the period	-	-	-	-
Outstanding at the end of the year	32,812,500	328,125,000	32,812,500	328,125,000

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

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

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

Name of the shareholder	Number of shares as at 31 st March 2014	Number of shares as at 31 st March 2013
Ashok Kumar Agarwal	5,775,000	5,775,000
Yashpal Mendiratta	5,772,900	5,772,900
Alka Agarwal	2,100,000	2,100,000
Alka Mendiratta	2,100,000	2,100,000
Lakshya Impex Private Limited	2,625,000	2,625,000
Rolex Finvest Private Limited	2,625,000	2,625,000
Client Rosehill Limited (formerly known as CVCIGP II Client Rosehill Limited)	4,188,324	4,188,324
CVCIGP II Employee Rosehill Limited	2,345,805	2,345,805

2.1(e): Shares allotted as fully paid up by way of bonus shares (during 5 years immediately preceding 31st March 2014):

	31 st March 2013	31 st March 2012	31 st March 2011	31 st March 2010	31 st March 2009
Equity shares allotted as fully paid up bonus shares by capitalisation of securities premium account	-	-	31,250,000	-	-

Amount
In "₹"

Particulars	As at 31 st March 2014	As at 31 st March 2013
2.2: Reserves and Surplus		
Capital Redemption Reserve	5,000,000	5,000,000
Securities Premium Account	1,334,324,960	1,334,324,960
General Reserve		
Opening balance	1,800,000,000	1,650,000,000
Add: Addition during the year	250,000,000	150,000,000
	2,050,000,000	1,800,000,000
Surplus		
Opening balance	2,440,809,702	2,353,438,664
Add: Transfer from Statement of Profit and Loss	478,242,471	237,371,038
	2,919,052,173	2,590,809,702
Less : Transfer to general reserve	250,000,000	150,000,000
	2,669,052,173	2,440,809,702
	6,058,377,133	5,580,134,662
2.3: Long-term Provisions		
Provision for gratuity #	14,814,009	14,482,149
	14,814,009	14,482,149
# refer to Note 2.25		
2.4: Short-term Borrowings		
Secured		
Loans repayable on demand from banks (overdrafts) #	825,136,640	248,508,916
Unsecured		
Commercial paper ##	244,055,250	-
	1,069,191,890	248,508,916

secured against fixed deposits pledged, interest rate varies from 9.50% to 11.50% per annum (previous year 8.50% to 11.50% per annum)

face value ₹ 250,000,000 (previous year ₹ Nil) net of unamortised discount of ₹ 5,944,750 (previous year ₹ Nil). Discount rate 10.35% per annum (previous year Nil). Repayable at par on 26th June 2014.

2.5: Trade Payables

Payables against goods and services
- due to micro and small enterprises *
- others

	-	-
	14,512,804	17,113,529
	14,512,804	17,113,529

* The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26th August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on information received and available with the Company, there are no amounts payable to Micro and Small Enterprises as at 31st March 2014 and 31st March 2013.

Amount
In "₹"

Particulars	As at 31 st March 2014	As at 31 st March 2013
2.6: Other Current Liabilities		
Advance/ margin received from:		
- customers	2,860,316,656	2,952,141,135
- related parties #	289,463,350	609,812,609
Payable to exchanges	207,182,724	80,212,671
Salary, bonus and other employee payables	37,252,688	44,234,648
Income received in advance	6,492,380	9,210,351
Book overdrafts	194,485,857	20,547,819
Withholding and other taxes payable	13,723,013	13,900,163
	3,608,916,668	3,730,059,396
# refer to Note 2.26		
2.7: Short-term provisions		
Provision for Gratuity #	4,128,796	4,064,422
	4,128,796	4,064,422

refer to Note 2.25

GLOBE CAPITAL MARKET LIMITEDSignificant accounting policies and notes to the financial statements for the year ended 31st March 2014**2.8: Fixed assets**Amount
In "₹"

Particulars	Gross block			Accumulated depreciation/ amortisation				Net block		
	As at 1 st April 2013	Additions during the year	Deletions during the year	As at 31 st March 2014	As at 1 st April 2013	Depreciation charge for the year	Deletions during the year	As at 31 st March 2014	As at 31 st March 2013	
Tangible assets										
Furniture and fittings	6,759,163 (6,145,461)	119,438 (1,157,538)	1,701,562 (543,836)	5,177,039 (6,759,163)	4,743,335 (4,026,322)	238,929 (1,170,326)	1,528,568 (453,313)	3,453,696 (4,743,335)	1,723,343 (2,015,828)	2,015,828
Computers	75,294,874 (65,573,159)	378,228 (10,463,524)	5,290,704 (741,809)	70,382,398 (75,294,874)	50,154,163 (41,314,335)	8,872,606 (9,261,211)	5,014,206 (421,383)	54,012,563 (50,154,163)	16,369,835 (25,140,711)	25,140,711
Office equipment	18,579,859 (17,369,095)	1,550,634 (2,278,692)	3,899,263 (1,067,928)	16,231,230 (18,579,859)	5,126,172 (4,894,415)	909,518 (457,413)	1,400,377 (225,656)	4,635,313 (5,126,172)	11,595,917 (13,453,687)	13,453,687
Vehicles	2,573,029 (2,573,029)	- -	- -	2,573,029 (2,573,029)	992,868 (748,431)	244,437 (244,437)	- -	1,237,305 (992,868)	1,335,724 (1,580,161)	1,580,161
Total tangible assets (I)	103,206,925 (91,660,744)	2,048,300 (13,899,754)	10,891,529 (2,353,573)	94,363,696 (103,206,925)	61,016,538 (50,983,503)	10,265,490 (11,133,387)	7,943,151 (1,100,352)	63,338,877 (61,016,538)	31,024,819 (42,190,387)	42,190,387
Intangible assets										
Software	6,275,062 (6,275,062)	- -	- -	6,275,062 (6,275,062)	5,828,592 (4,918,276)	396,358 (910,316)	- -	6,224,950 (5,828,592)	50,112 (446,470)	446,470
Total intangible assets (II)	6,275,062 (6,275,062)	- -	- -	6,275,062 (6,275,062)	5,828,592 (4,918,276)	396,358 (910,316)	- -	6,224,950 (5,828,592)	50,112 (446,470)	446,470
Grand total (I+II)	109,481,987	2,048,300	10,891,529	100,638,758	66,845,130	10,661,848	7,943,151	69,563,827	31,074,931	42,636,857
Previous year total	97,935,806	13,899,754	2,353,573	109,481,987	55,901,779	12,043,703	1,100,352	66,845,130	42,636,857	

Figures in bracket relates to previous year

GLOBE CAPITAL MARKET LIMITEDSignificant accounting policies and notes to the financial statements for the year ended 31st March 2014

	Amount In "₹"	
	As At 31 st March 2014	As At 31 st March 2013
2.9: Non-current investments (non-trade, at cost)		
A. Investment in Equity Instruments		
Quoted		
Fully Paid up of Face Value ₹ 10 each		
4,892 (previous year 4,892) shares of Kothari Products Limited	739,377	739,377
2,606 (previous year 2,606) shares of Mawana Sugar Limited	52,102	52,102
121,261 (previous year 121,261) shares of Jayshree Chemicals Limited	1,818,914	1,818,914
27,197 (previous year 27,197) shares of Oberoi Realty Limited	7,071,220	7,071,220
92 (previous year 92) shares of State Bank of Mysore	49,680	49,680
108,600 (previous year 108,600) shares of Murudeshwar Ceramics Limited	2,172,000	2,172,000
2,602 (previous year 2,602) shares of State Bank of Bikaner & Jaipur	1,014,780	1,014,780
44,000 (previous year 44,000) shares of Power Finance Corporation	8,932,000	8,932,000
1,200 (previous year 600) shares of Thejo Engineering Limited	241,200	241,200
7,365 (previous year 7,365) shares of Uttam Sugar Mills Limited	162,030	162,030
Nil (previous year 33) shares of Bajaj Finance Limited	-	36,300
Nil (previous year 190,612) shares of Castrol India Limited	-	9,729,018
Fully Paid up of Face Value ₹ 5 each		
190,612 (previous year Nil) shares of Castrol India Limited	8,775,958	-
Fully Paid up of Face Value ₹ 2 each		
11,862 (previous year 11,862) shares of East India Hotels Limited	782,892	782,892
Nil (previous year 1,205) shares of Bhushan Steel Limited	-	201,838
Unquoted		
Fully Paid up of Face Value ₹ 10 each		
In subsidiary companies (wholly owned)		
2,670,000 (previous year 2,670,000) shares of Globe Commodities Limited	152,570,475	152,570,475
6,678,375 (previous year 3,000,000) shares of Globe Fincap Limited #	618,540,000	30,000,000
50,000 (previous year 50,000) shares of Globe Derivatives and Securities Limited	500,000	500,000
In other companies		
Nil (previous year 468) shares of Farm Enterprises Limited	-	93,690
4,500 (previous year 3,000) shares of Gujarat NRE Mineral Resources Limited	100,000	100,000
159 (previous year 159) shares of Sistema Shyam Teleservices Limited	1,590	1,590
B. Investment in Preference Shares		
In wholly owned subsidiaries		
7,764,705 (previous year 14,688,705) 12% Non Cumulative Redeemable Preference shares of ₹ 10 each fully paid of Globe Fincap Limited #	659,999,925	1,248,539,925
3,000,000 (previous year 3,000,000) 12% Non Cumulative Redeemable Preference shares of ₹ 10 each fully paid of Globe Derivatives and Securities Limited	750,000,000	750,000,000
660,000 (previous year 660,000) 12% Non Cumulative Redeemable Preference shares of ₹ 10 each fully paid of Globe Commodities Limited	498,300,000	498,300,000

Amount
In "₹"

	As At 31 st March 2014	As At 31 st March 2013
C. Investment in bonds		
Quoted, Secured, Fully Paid up of Face Value ₹ 1,000 each (tax free)		
9,563 (previous year 9,563) bonds of Indian Railway Finance Corporation Limited	9,563,000	9,563,000
	2,721,387,143	2,722,672,031
Aggregate Market Value of quoted investments	88,705,435	82,351,854
Aggregate Book Value of quoted investments	41,375,153	42,566,351
Aggregate Book Value of unquoted investments	2,680,011,990	2,680,105,680
# refer to Note 2.29		
2.10: Deferred Tax Assets (net)		
Deferred Tax Assets		
Provision for doubtful debts	7,982,874	9,412,121
Provision for doubtful advances	375,024	375,024
Provision for gratuity	6,438,659	6,303,979
Disallowances u/s 43B of the Income-tax Act, 1961	4,176,041	4,662,632
Total (A)	18,972,598	20,753,756
Deferred Tax Liability		
Difference between carrying cost of fixed assets as per Companies Act, 1956 and Income-tax Act, 1961	4,612,185	6,925,640
Total (B)	4,612,185	6,925,640
Deferred Tax Assets (net) (A-B)	14,360,413	13,828,116
2.11: Long-term Loans and Advances (unsecured, considered good, unless otherwise stated)		
Margins/ deposit with Stock Exchange and others	61,281,883	64,111,101
Income-taxes recoverable	96,057,317	84,538,785
[net of provision for tax ₹ 1,114,470,000 (previous year ₹ 995,670,000)]		
Other advances	2,661,046	2,325,266
Advances, considered doubtful	1,103,335	1,103,335
	161,103,581	152,078,487
Less: Provision for doubtful advances	1,103,335	1,103,335
	160,000,246	150,975,152

Amount
In "₹"

	As At 31 st March 2014	As At 31 st March 2013
2.12: Other Non-Current Assets		
Bank deposits with maturity more than twelve months *		
- placed under lien with banks	207,900,000	280,500,000
- pledged with the clearing corporations and stock exchanges as margin	253,000,000	1,591,950,000
- deposits in hand	2,021,417	-
	462,921,417	1,872,450,000
Interest accrued but not due	2,701,386	900,169
	465,631,803	1,873,350,169
* refer to Note 2.15		
2.13: Inventories (at lower of cost and Net Realisable Value)		
Stock-in-Trade of shares and bonds	1,934,302,153	795,642,829
	1,934,302,153	795,642,829
2.14: Trade Receivables		
Secured		
a) Outstanding for more than six months from due date		
- Considered good	24,074,781	18,943,437
b) Other trade receivables		
- Considered good	161,734,461	161,758,001
Unsecured		
a) Outstanding for more than six months from due date		
- Considered good	-	501,828
- - Considered doubtful	22,387,211	23,920,334
b) Other trade receivables		
- Considered good	2,335,037	8,328,711
- Considered doubtful	1,098,739	3,770,520
	211,630,229	217,222,831
Less: Provision for doubtful debts	23,485,950	27,690,854
	188,144,279	189,531,977

Amount
In "₹"

	As At 31 st March 2014	As At 31 st March 2013
2.15: Cash and Bank Balances		
Cash and Cash Equivalents		
Cash in hand	227,608	256,325
Balances with banks:		
- in current accounts	32,030,154	25,315,079
	32,257,762	25,571,404
Other Bank Balances		
Bank Deposits with Maturity less than twelve months *		
- placed under lien with banks	2,773,651,000	2,151,450,000
- pledged with the clearing corporations and stock exchanges as margin	1,706,825,000	1,078,850,000
- deposits in hand	17,520,983	61,500,000
	4,497,996,983	3,291,800,000
Bank deposits with maturity more than twelve months *		
- placed under lien with banks	207,900,000	280,500,000
- pledged with the clearing corporations and stock exchanges as margin	253,000,000	1,591,950,000
- deposits in hand	2,021,417	-
	462,921,417	1,872,450,000
Total cash and bank balances	4,993,176,162	5,189,821,404
Less: bank deposits with Maturity more than twelve months classified as other Non Current Assets	462,921,417	1,872,450,000
	4,530,254,745	3,317,371,404

* excludes bank deposits given to exchanges by constituents, as margins, on their behalf amounting to ₹ 3,488,441,136 (previous year ₹ 2,666,063,710)

2.16: Short-term Loans and Advances (unsecured, considered good)

Margins/ Deposit with Stock Exchange and others	402,656,325	383,374,262
Receivable from exchanges *	577,919,070	347,362,107
Other advances	13,252,322	33,712,289
	993,827,717	764,448,658

* Net of amounts receivable from clients

2.17: Other current assets

Interest accrued but not due	55,796,958	51,923,907
Dividend receivable	3,285,912	106,974
	59,082,870	52,030,881

Amount
In "₹"

	For the year ended 31 st March 2014	For the year ended 31 st March 2013
2.18: Revenue from Operations		
Brokerage earned (gross)	491,654,196	490,517,576
Income from trading in securities	213,748,849	249,749,171
Income from Depository and Portfolio Management Services	29,727,118	31,469,928
Dividend earned	265,029,043	29,640,550
Other operating revenues		
Interest earned *	579,137,296	515,591,831
Gain on sale of investments (net)	208,920	21,034,015
Gain on sale of tax-free bonds	-	3,038,484
Dividend income on non-current investments	1,974,427	2,291,499
Provisions/ liabilities no longer required written-back	3,823,720	41,854
Interest on investments in tax-free bonds	766,794	4,706,124
	1,586,070,363	1,348,081,032

* includes interest on fixed deposits placed with banks ₹ 505,612,821 (previous year ₹ 459,427,760) and late pay-in charges recovered from clients on delayed payments ₹ 73,524,475 (previous year ₹ 56,164,071).

2.19: Other income

Miscellaneous	175,942	175,928
	175,942	175,928

2.20: Employee Benefits Expense

Salaries and wages	303,396,525	364,347,236
Contribution to Provident Fund	410,396	365,203
Gratuity	1,291,295	4,249,248
Staff welfare	5,200,590	5,044,138
	310,298,806	374,005,825

Amount
In "₹"

	For the year ended 31 st March 2014	For the year ended 31 st March 2013
2.21: Other Expenses		
Communication	26,734,136	31,433,710
Travelling and conveyance	13,820,942	17,501,304
Printing and stationery	2,525,675	3,583,586
Rent #	45,363,921	48,982,899
Rates and taxes (net of recoveries)	3,265,724	3,997,903
Fees and subscription	1,766,737	1,285,814
Bad debts written-off:		
Debts written-off during the year	1,531,022	6,203,736
Less: provision made earlier, no longer required written back	1,531,022	-
Provision for doubtful debts	-	17,955,431
Provision for doubtful advances	-	1,103,335
Entertainment/ business promotion	2,268,664	1,905,204
Brokerage and commission	88,246,050	103,827,956
Electricity	11,370,769	11,322,045
Depository expenses	6,695,387	6,704,122
Exchange charges	69,603,881	66,040,402
Advertisement	15,901,912	7,135,510
Legal and professional	10,363,621	8,643,537
Repairs and maintenance - others	10,879,444	8,866,500
Insurance	1,172,182	775,793
Computer and data processing charges	16,846,831	28,467,742
Donation	329,000	102,000
Audit fees *	4,094,162	3,444,164
Festivity expenses	2,023,453	2,386,669
Security Transaction tax	97,792,804	103,600,784
Loss on sale of fixed assets (net)/ written-off	2,268,140	668,471
Miscellaneous	4,193,765	3,532,262
	437,527,200	489,470,879

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

* Audit fees includes (excluding service tax):

As Auditor	2,200,000	1,850,000
For Tax Audit	50,000	50,000
For other matters	1,400,000	1,050,000
Reimbursement of expenses	331,000	296,000
	3,981,000	3,246,000

Amount
In "₹"

	For the year ended 31 st March 2014	For the year ended 31 st March 2013
2.22: Finance Cost		
Interest Expense		
- on term loans from bank	3,789,589	-
- on bank overdrafts	90,250,767	35,893,745
- on others	101,906,320	87,312,159
Other Borrowing Costs	35,301,602	19,945,466
	231,248,278	143,151,370

2.23 Contingent Liabilities and Commitments (to the extent not provided for)

	As at 31 st March 2014	As at 31 st March 2013
Contingent liabilities		
Claims against the Company not acknowledged as debt (on account of arbitration filed by client)	4,295,692	7,759,344

2.24 Foreign currency expenditure:

	For the year ended 31 st March 2014	For the year ended 31 st March 2013
Travelling and conveyance	218,340	-
Computer and Data Processing charges	-	685,344
Total	218,340	685,344

2.25 Disclosures in respect of Employee Benefits under Accounting Standard-15 Notified under the Companies (Accounting Standards) Rules, 2006

(i) The following table sets out the status of un-funded gratuity plan and the amounts recognized in the Company's Financial Statements as at 31st March 2014 and 31st March 2013:

Particulars	Amount In "₹"	
	For the year ended 31 st March 2014	For the year ended 31 st March 2013
a) Change in Present Value of Obligation		
Present value of obligation at the beginning of the year	18,546,571	14,586,037
Current service cost	3,327,311	3,944,046
Interest cost	1,483,726	1,239,813
Benefit paid	(895,061)	(288,714)
Actuarial (gain)/ loss on obligation	(3,519,742)	(934,611)
Present Value of Obligations at the end of the year	18,942,805	18,546,571
b) Amount Recognized in the Balance Sheet		
Present value of obligations at the end of the year	18,942,805	18,546,571
Net Liability Recognized in the Balance Sheet #	18,942,805	18,546,571
c) Gratuity Cost for the year		
Current service cost	3,327,311	3,944,046
Interest cost	1,483,726	1,239,813
Net actuarial (gain)/ loss recognized in the year	(3,519,742)	(934,611)
Net Gratuity Cost/ (gain) Recognized in the Statement of Profit and Loss	1,291,295	4,249,248
d) Assumptions used for Actuarial Valuation		
Discount rate	9.10%	8.00%
Rate of increase in compensation	5.00%	5.00%
Withdrawal rate	10.00%	10.00%
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (1994-96)(modified)

includes current portion ₹ 4,128,796 (previous year ₹ 4,064,422) and non-current portion ₹ 14,814,009 (previous year ₹ 14,482,149).

(ii) Experience Adjustments

	For the year ended 31 st March 2014	For the year ended 31 st March 2013	For the year ended 31 st March 2012	For the year ended 31 st March 2011	For the year ended 31 st March 2010
Present Value of Obligation	18,942,805	18,546,571	14,586,037	12,844,789	13,838,863
Surplus/ (Deficit)	(18,942,805)	(18,546,571)	(14,586,037)	(12,844,789)	(13,838,863)
Experience adjustments on Plan Liabilities	2,323,472	1,456,183	1,932,476	(373,013)	1,828,689

Explanations to Assumptions used for Actuarial Valuation for Gratuity

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

Defined Contribution Plan

A sum of ₹ 410,396 (previous year ₹ 365,203) on account of provident fund is recognized as an expense and included in 'contribution to provident fund' in the Statement of Profit and Loss.

2.26 Related Party Disclosure

a) List of the Related Parties:

Subsidiary Companies/ Body Corporate (where control exists)

Globe Commodities Limited
Globe Fincap Limited
Globe Derivatives and Securities Limited
Sapien Capital Limited (U.K.), till 15th July 2013
Globe Comex International DMCC (Dubai, UAE)

Key Management Personnel

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

Relatives of Key Management Personnel

Alka Mendiratta
Alka Agarwal

Enterprises in which Key Management Personnel and/ or their relatives have significant influence:

A To Z Venture Capital Limited
Rolex Finvest Private Limited #
A To Z Consultants Private Limited #
M. Agarwal Stock Brokers Private Limited
Lakshya Impex Private Limited #
Yashpal Mendiratta (HUF) #
Ashok Kumar Agarwal (HUF) #

The above parties are also shareholders of the Company

b) Transactions with related parties

Particulars	Subsidiaries	Key Management Personnel	Relatives Key Management Personnel	Amount
				In "₹"
				Enterprises in which Key Management Personnel and/or their relatives have significant influence
Brokerage earned				
Globe Commodities Limited	417,938			
	(389,380)			
Globe Fincap Limited	45,411			
	(239,548)			
Globe Derivatives and Securities Limited	8,691,612			
	(8,174,104)			
Lakshya Impex Private Limited				215
Others				(102,079)
				20,671
				(24,668)
Income from Depository Services				
Globe Commodities Limited	397,922			
	(355,231)			
Globe Fincap Limited	352,020			
	(321,811)			
Globe Derivatives and Securities Limited	8,490			
	(192)			
Others		-	-	22,852
		(6,365)	(6,221)	(4,176)
Income from portfolio management services				
Rolex Finvest Private Limited				-
				(5,537)
M. Agarwal Stock Brokers Private Limited				66,044
				(66,566)
Globe Derivatives and Securities Limited	36,069			
	(-)			
Remuneration to Directors (inclusive of perquisites)				
Ashok Kumar Agarwal		3,639,600		
		(3,639,600)		
Yashpal Mendiratta		3,639,600		
		(3,639,600)		
Expenses				
Reimbursement of expenses				
Globe Commodities Limited	868,337			
	(709,552)			
Others	236,494			20,846
	(107,355)			(-)

Rent

Ashok Kumar Agarwal (HUF)		745,800
		(745,800)
Yashpal Mendiratta (HUF)		745,800
		(745,800)
,Alka Agarwal	150,000	
	(150,000)	
Alka Mendiratta	150,000	
	(150,000)	
A to Z Venture Capital Limited		876,120
		(876,120)
A to Z Consultants Private Limited		588,000
		(588,000)
Lakshya Impex Private Limited		866,160
		(240,600)

Balances Outstanding as at the year end**Advance/ Margin received from related parties**

Globe Commodities Limited	288,303,184	
	(446,369,225)	
Globe Derivatives and Securities Limited	657,520	
	(139,063,457)	
M. Agarwal Stock Brokers Private Limited		502,646
		(24,379,927)

Salary, Bonus and Other Payables

Ashok Kumar Agarwal	239,595
	(165,000)
Yashpal Mendiratta	249,529
	(153,000)

Notes:

1. Receivable and Payable Balances exclude the amount of transactions for the last day trading (except in the case of subsidiaries), if any, settled subsequent to year end and do not include payments made on behalf of constituents.
2. Figures in brackets represent previous year's figures.
3. Balances outstanding as at the year-end being Advance/ Margin received from related parties are presented as Net-off Debits and Credits during the year, being voluminous in nature and in the normal course of business.

2.27 In the opinion of the management, capital market activities comprising Brokerage Income earned on Secondary Market Transactions done on behalf of clients, services rendered as depository participant and proprietary trading in securities and derivatives is considered as one reportable segment, as envisaged in Accounting Standard 17 'Segment Reporting' notified under the Companies (Accounting Standards) Rules, 2006. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company.

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

2.28 Basic and Diluted Earnings per share

Description	For the year ended 31 st March 2013	For the year ended 31 st March 2012
Net Profits Attributable to Equity Shareholders (A)	478,242,471	237,371,038
Number of Equity Shares Outstanding at the beginning and at the end of the year (B)	32,812,500	32,812,500
Basic and Diluted Earnings per Equity share of the Face Value of ₹ 10 each (C = A/B)	14.58	7.23

2.29 During the year, a wholly owned subsidiary, Globe Fincap Limited has converted its 14,688,705 12% Non Cumulative Redeemable Preference Shares issued to the Company into two groups of preference shares:-

- i. Group-I: 6,924,000 12% Optionally Convertible Non-cumulative Redeemable Preference Shares, which were thereafter converted into 3,678,375 equity shares of ₹ 10 each were issued at a premium of ₹ 150.
- ii. Group-II: 7,764,705 12% Non Cumulative Redeemable Preference Shares.

2.30 In the absence of any trade mechanism, in its meeting on 3rd June 2013, the Board of Directors had decided to delist the Equity Shares of the Company from the Delhi Stock Exchange ('DSE') and made an application to SEBI via letters dated 3rd June 2013 and 23rd July 2013 seeking certain clarifications/exemptions from the delisting regulations. SEBI vide its letter dated 4th March 2014 has expressed its inability to provide the required exemption. Post that, SEBI came out with Circular no. CIR/MRD/DSA/18/2014 dated 22nd May 2014 regarding course of action for "non-operational stock exchanges". As per the Circular, stocks listed on these Non Operational Exchanges will automatically be delisted, with an option for such companies to list in BSE/NSE.

2.31 Previous year's figures have been regrouped/ rearranged wherever considered necessary to confirm to the current year's classifications.

As per our report of even date attached

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

For **Atul & Rajinder**
Chartered Accountants
Firm Registration No.: 005402N

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

Jiten Chopra
Partner
Membership No.: 092894

Rajinder Malhotra
Proprietor
Membership No.: 083680

Yashpal Mendiratta
Director

Ashok Kumar Agarwal
Director

Pradeep Khandelwal
Company Secretary

Place: Gurgaon
Date: 27th May 2014

Place: New Delhi
Date: 27th May 2014

Place: New Delhi
Date: 27th May 2014

INDEPENDENT AUDITORS' REPORT (CONSOLIDATED)

To the Board of Directors of
Globe Capital Market Limited

We have audited the accompanying Consolidated Financial Statements of Globe Capital Market Limited ('the Company') and its subsidiaries and step-down subsidiaries (or 'the components') (hereinafter collectively referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31st March 2014, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

The results of two subsidiaries included in these Consolidated Financial Statements which constitutes total assets of ₹ 4,217,296,041, total revenue (including other income) of ₹ 625,130,885 and cash flows amounting to ₹ 195,131,256 for the year ended 31st March 2014, have been audited by one of the joint auditor. B S R & Co. LLP has placed reliance on the audit reports furnished by them in respect of the aforementioned subsidiaries for the purpose of this report.

Further, we did not audit the financial statements and other financial information of two step-down subsidiaries incorporated outside India, included in these Consolidated Financial Statements, which constitute total assets amounting to ₹ 199,285,520 as at 31st March 2014, total revenue (including other income) of ₹ 76,183,441, and cash outflow amounting to ₹ 169,375,028 for the year then ended. The financial statements and other financial information of the step down subsidiaries as drawn up in accordance with the generally accepted accounting principles of the respective countries ('the local GAAP') have been audited by other auditors duly qualified to act as auditors in those countries. The reports of the other auditors have 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 reports received of such other auditors.

Opinion

We report that the Consolidated Financial Statements have been prepared by the Company's management, in all material respects, in accordance with the requirements of Accounting Standard 21, 'Consolidated Financial Statements' as notified by the Companies (Accounting Standards) Rules, 2006.

Based on our audit and on consideration of the reports of other auditors and one of the joint auditor on separate financial statements and on the other financial information of the components, in our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2014;
- b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date, and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **BSR & Co. LLP**

Chartered Accountants

Firm Registration No.: 101248W

For **Atul & Rajinder**

Chartered Accountants

Firm Registration No.: 005402N

Jiten Chopra

Partner

Membership No.: 092894

Rajinder Malhotra

Proprietor

Membership No.: 083680

Place: Gurgaon

Date: 27th May 2014

Place: Delhi

Date: 27th May 2014

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

GLOBE CAPITAL MARKET LIMITED

Consolidated Balance Sheet as at 31 March 2014

Amount
In "₹"

	Note	As at 31 st March 2014	As at 31 st March 2013
Equity and Liabilities			
Shareholders' Funds			
Share capital	2.01	328,125,000	328,125,000
Reserves and surplus	2.02	7,956,403,283	6,936,789,587
Minority interest		-	11,789,344
Non-current Liabilities			
Long-term borrowings	2.03	270,269,492	250,732,836
Long-term provisions	2.04	19,574,306	23,278,965
Current Liabilities			
Short-term borrowings	2.05	1,502,983,290	312,585,534
Trade payables	2.06	80,230,953	33,979,037
Other current liabilities	2.07	4,169,513,955	5,797,542,441
Short-term provisions	2.08	20,342,656	13,305,522
	Total	14,347,442,935	13,708,128,266
Assets			
Non-current assets			
Fixed assets	2.09		
Tangible assets		45,435,429	55,320,737
Intangible assets		50,112	448,329
Non-current investments	2.10	41,482,353	42,767,241
Deferred tax assets (net)	2.11	17,853,986	18,698,580
Long-term loans and advances	2.12	952,239,734	2,862,353,286
Other non-current assets	2.13	638,180,822	2,311,448,941
Current assets			
Inventories	2.14	2,625,550,110	1,301,773,099
Trade receivables	2.15	258,486,048	281,959,503
Cash and bank balances	2.16	6,210,225,484	5,018,965,348
Short-term loans and advances	2.17	3,484,605,776	1,747,119,445
Other current assets	2.18	73,333,081	67,273,757
	Total	14,347,442,935	13,708,128,266

Significant accounting policies and notes to the financial statements

1, 2

The accompanying notes are an integral part of the financial statements

As per our report of even date attached-

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

For **Atul & Rajinder**
Chartered Accountants
Firm Registration No.: 005402N

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

Jiten Chopra
Partner
Membership No.: 092894

Rajinder Malhotra
Proprietor
Membership No.: 083680

Yashpal Mendiratta
Director

Ashok Kumar Agarwal
Director

Pradeep Khandelwal
Company Secretary

Place: Gurgaon
Date: 27th May 2014

Place: New Delhi
Date: 27th May 2014

Place: New Delhi
Date: 27th May 2014

GLOBE CAPITAL MARKET LIMITEDConsolidated Statement of Profit and Loss for the year ended 31st March 2014Amount
In "₹"

	Note	For the year ended 31 st March 2014	For the year ended 31 st March 2013
Revenue			
Revenue from operations	2.19	2,961,402,484	3,055,108,610
Other income	2.20	3,057,745	1,072,023
Total Revenue		2,964,460,229	3,056,180,633
Expenses			
Employee benefits expenses	2.21	396,789,022	463,035,113
Other expenses	2.22	841,296,369	1,101,366,114
Finance cost	2.23	356,186,958	307,212,302
Depreciation and amortisation	2.09	12,423,371	13,530,201
Total Expenses		1,606,695,720	1,885,143,730
Profit before Exceptional Item and tax		1,357,764,509	1,171,036,903
Add: Exceptional item		1,506,304	-
Profit before Tax		1,359,270,813	1,171,036,903
Tax Expense			
Current Income Tax		348,324,754	359,863,076
Deferred tax charge/ (credit)		844,593	(11,370,233)
Prior year tax adjustment		-	(447,690)
Profit after tax for the year (before adjustment for Minority Interest)		1,010,101,466	822,991,750
Less: share of profit transferred to Minority Interest		3,569,370	4,113,811
Profit for the year (after adjustment for Minority Interest)		1,006,532,096	818,877,939
Earnings per equity share (par value ₹ 10 per share)			
Basic and diluted earnings per share (₹)	2.28	30.68	24.96

Significant accounting policies and notes to the financial statements

1, 2

As per our report of even date attached

For **BSR & Co. LLP**
Chartered Accountants

Firm Registration No.: 101248W

For **Atul & Rajinder**
Chartered Accountants

Firm Registration No.: 005402N

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

Partner

Membership No.: 092894

Rajinder Malhotra

Proprietor

Membership No.: 083680

Yashpal Mendiratta

Director

Ashok Kumar Agarwal

Director

Pradeep Khandelwal

Company Secretary

Place: Gurgaon
Date: 27th May 2014Place: New Delhi
Date: 27th May 2014Place: New Delhi
Date: 27th May 2014

GLOBE CAPITAL MARKET LIMITEDConsolidated Cash Flow Statement for the year ended 31st March 2014

Particulars	Amount In "₹"	
	For the year ended 31 st March 2014	For the year ended 31 st March 2013
Cash flow from operating activities		
Profit before exceptional item and tax	1,357,764,509	1,171,036,903
Add:		
Depreciation and Amortisation	12,423,371	13,530,201
Bad Debts written-off (net of provision no longer required written back)	8,249,195	67,836,434
Loss on Exchange Rate Fluctuation	140,079	-
Provision for Doubtful Debts	-	17,955,431
Provision for Doubtful Advances	-	1,103,335
Provision for Standard Assets	118,391	1,941,166
Provision for Non-performing Assets	-	5,527,460
Loss on sale of Fixed Assets (net)	2,268,140	668,471
Discount on issuance of Commercial Paper (included in other borrowing cost)	8,152,900	-
Interest Expense on loans and overdrafts	115,874,190	52,420,239
Less:		
Profit on sale of Non-trade Investments (net)	(1,170,535)	(53,264,248)
Interest on Investment in tax-free bonds	(766,794)	(4,706,124)
Exchange Rate Fluctuation	(2,822,133)	(872,152)
Dividend earned from Non-trade Investments	(1,974,427)	(2,291,499)
Provisions no longer required written-back (net)	(3,823,720)	(71,501)
Operating Profit before Working Capital changes	1,494,433,166	1,270,814,116
Adjustments for:		
(Increase)/ decrease in Inventories	(1,323,777,011)	1,805,373,847
(Increase)/ decrease in Trade Receivables	19,047,980	(33,456,839)
(Increase)/ decrease in Loans and Advances (refer note 3 below)	248,863,871	(1,234,720,092)
(Increase)/ decrease in other Current Assets (refer note 3 below)	(6,059,323)	(27,901,287)
(Increase)/ decrease in other Bank Balances (refer note 2 below)	602,499,681	(2,058,949,197)
Increase/ (decrease) in Trade Payables	49,074,050	(16,929,577)
Increase/ (decrease) in Liabilities and Provisions (refer note 3 below)	(1,220,054,915)	608,096,819
Cash Generated from Operations	(135,972,499)	312,327,790
Income taxes paid (net of refund)	(353,724,713)	(396,489,444)
Net cash (used in)/ generated from operating activities (A)	(489,697,212)	(84,161,654)
Cash flow from investing activities		
Purchase of Fixed Assets	(6,536,801)	(22,158,088)
Proceeds from sale of Fixed Assets	2,128,814	584,749
Purchase of investments	(37,940,977)	(765,096,534)
Proceeds from Disposal of Investments	40,396,397	950,820,658
Capital Advances	(60,000,000)	(80,000,000)
Interest on Investment in Tax-free Bonds	766,794	-
Dividend on Long term Investments	1,974,427	2,461,068
Net Cash Generated from Investing Activities (B)	(59,211,346)	86,611,853

Amount
In "₹"

Particulars	For the year ended 31 st March 2014	For the year ended 31 st March 2013
Cash Flow from Financing Activities		
Interest paid on Loans	305,747,067	111,196,180
Interest paid on Overdrafts	(125,516,450)	(43,864,985)
Current maturities of Long-term Debt	(400,000,000)	400,463,344
Proceeds/ (repayment) loan from Related Parties	5,000,000	(10,205,000)
Proceeds from Term Loans	700,000,000	-
Repayment of Term Loans	(700,000,000)	-
Proceeds from Commercial Paper	685,902,350	-
Repayment of Commercial Paper	(450,000,000)	-
Proceeds/ (repayment) from Bank Overdrafts (net)	651,342,506	(339,166,698)
Repayment of working Capital Loan	-	(60,560,663)
Net Cash Generated/ (used in) Financing Activities (C)	672,475,473	57,862,178
Increase in Cash or Cash Equivalents (A+B+C)	123,566,915	60,312,377
Add: Adjustment on consolidation of subsidiaries/ step-subidiaries	(2,374,831)	2,038,510
Net increase in Cash or Cash Equivalents	121,192,084	62,350,887
Cash and cash equivalent at the beginning of the year (refer note 2.16)	411,743,620	349,392,733
Cash and Cash Equivalent at the end of the year (refer note 2.16)	532,935,704	411,743,620

Notes:

- The above Cash Flow Statement has been prepared under the indirect method set out in AS-3 on 'Cash Flow Statement' as notified under Companies (Accounting Standard) Rules, 2006.
- 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.
- Include both long-term and short-term assets/ liabilities.
- Previous year figures have been regrouped/ reclassified wherever necessary to conform to the current year classification.

As per our report attached

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

For **Atul & Rajinder**
Chartered Accountants
Firm Registration No.: 005402N

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

Jiten Chopra
Partner
Membership No.: 092894

Rajinder Malhotra
Proprietor
Membership No.: 083680

Yashpal Mendiratta
Director

Ashok Kumar Agarwal
Director

Pradeep Khandelwal
Company Secretary

Place: Gurgaon
Date: 27th May 2014

Place: New Delhi
Date: 27th May 2014

Place: New Delhi
Date: 27th May 2014

GLOBE CAPITAL MARKET LIMITED

Significant accounting policies and notes to the consolidated financial statements for the year ended 31st March 2014
(All amounts are in ₹)

1. Significant Accounting Policies

(i) Basis of Preparation

The Consolidated Financial Statements (hereinafter referred to as 'CFS') of Globe Capital Market Limited ('the Company') and its Subsidiaries and Step-down Subsidiaries, (together referred to as 'the Group') are prepared under the Historical Cost convention on a going concern basis, i.e. on the accrual basis of accounting, in accordance with the Generally Accepted Accounting Principles ('GAAP') in India, Accounting Standards prescribed under the Companies (Accounting Standards) Rules, 2006, relevant pronouncements of the Institute of Chartered Accountants of India ('ICAI'), the presentational requirements of the Companies Act, 1956 as adopted consistently by the Company and the Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 issued by the Reserve Bank of India as applicable to a subsidiary company - Globe Fincap Limited. Also refer to (iv) below.

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

Name of the Subsidiary/ Step-down Subsidiary	Country of Incorporation	Proportion of Ownership	Date of Incorporation/ Acquisition
Globe Commodities Limited	India	100%	1 st April 2007
Globe Fincap Limited	India	100%	3 rd April 2008
Globe Derivatives and Securities Limited	India	100%	27 th October 2010
Globe Comex International DMCC *	Dubai, United Arab Emirates	100%	22 nd October 2005
Sapien Capital Limited ^	United Kingdom	70%	7 th October 2008

* 100% Subsidiary of Globe Commodities Limited

^ 70% Subsidiary of Globe Comex International DMCC upto 15th July 2013 (refer note 2.29)

(iii) Current and Non-current Classification

All assets and liabilities are classified into Current and Non-Current.

Assets

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

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

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

All other assets are classified as Non-Current.

Liabilities

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

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

Current Liabilities include current portion of Non-current Financial Liabilities.

All other Liabilities are classified as Non-current.

Operating Cycle

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

(iv) Consolidation Procedures

- a) The CFS are prepared in accordance with Accounting Standard (AS-21) 'Consolidated Financial Statements' as notified under the Companies (Accounting Standard) Rules, 2006. The Financial Statements of the Company and its subsidiaries are combined on a line by line basis by adding together sums of like nature, comprising assets, liabilities, income and expenses (including taxes) and after eliminating intra-group balances/ transactions.
- b) The separate Financial Statements of certain foreign step-down subsidiaries are prepared on the basis of generally accepted accounting principles, laws and regulations as prevalent in their respective countries and such Financial Statements are considered for consolidation. The effect of adjustments on account of variance in accounting policies of such foreign step-down subsidiaries vis-à-vis those of the Company, if material, are reflected in the Consolidated Financial Statements.
- c) Subsidiaries are consolidated on the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal.
- d) The separate financial statements of the Company, its subsidiaries and step-down subsidiaries have been drawn for the period from 1st April 2013 to 31st March 2014.
- e) The Company's cost of its investment in its subsidiaries has been eliminated against the Company's portion of equity of each subsidiary as on the date of investment in that subsidiary. Similarly, in the case of step-down subsidiaries, a subsidiary's cost of its investment in its subsidiaries has been eliminated against the subsidiary's portion of equity of each subsidiary as on the date of investment in that subsidiary. The excess/ short, if any, is recognised as 'Goodwill' or 'Capital reserve' as the case may be.
- f) Minority interest, if any, in the Net Profit of Consolidated Subsidiaries for the reporting period is identified and adjusted against the income of the group in order to arrive at the net income attributed to the owners of the Company; and the Minority Interest in the Net Assets of Consolidated subsidiaries is identified and presented in the CFS separately from liabilities and the equity of the Company's shareholders. Minority Interests in the net assets comprising of:
 - (i) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
 - (ii) the Minorities' share of movements in equity since the date the parent–subsidiary relationship came in existence.
- g) For the purpose of compilation of the CFS, the foreign Currency Assets, Liabilities, Income and Expenditure are translated as per Accounting Standard (AS-11) on 'Accounting for the Effects of Changes in Foreign Exchange Rates', as notified under the Companies (Accounting Standard) Rules, 2006. Exchange differences arising are recognised in the foreign currency translation reserve classified under 'Reserves and Surplus'.
- h) As far as possible, the Consolidated Financial Statements have been prepared using uniform accounting policies for comparable transactions and other events in similar circumstances and are presented in the same manner as the Company's standalone financial statements.

(v) Use of Estimates

The preparation of Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of Assets and Liabilities, disclosure of Contingent Assets and liabilities as at the date of the financial statements and the reported amounts of Revenues and Expenses during the reporting period. Actual results could differ from these estimates. Adjustments as a result of differences between actual results and estimates are recognised prospectively.

(vi) Fixed Assets (including intangible assets) and Related Depreciation/Amortisation

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

Depreciation on Fixed assets (except in case of foreign subsidiaries) other than Intangible Assets have been provided at straight-line basis at the rates provided in Schedule XIV of the Companies Act, 1956, which in the opinion of the management represents the best estimate of useful life of these assets.

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

In case of foreign subsidiaries:

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

- Globe Comex International DMCC	: Office equipment	: 6.7 years
	: Furniture and fittings	: 6.7 years
- Sapien Capital Limited	: Office equipment	: 25 %
	: Furniture and fittings	: 25 %

Fixed Assets (except in case of foreign subsidiaries) costing Rs. 5,000 or less are fully depreciated in the year of purchase.

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

(vii) Investments

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

(viii) Inventories

Inventories or Stock-in-Trade is valued at lower of cost and net realisable value. Cost comprises expenditure incurred in the normal course of business in bringing such stock to their location and conditions and includes appropriate overheads. Stock-in-trade includes stock pledged, if any, against secured loans from banks and kept as Margin/ Securities with the stock exchanges and does not include stocks held on behalf of its clients/ constituents. Cost is calculated on First-In-First-Out ('FIFO') basis.

(ix) Revenue recognition

- Revenue from broking activities is accounted for on an accrual basis on the trade date of transaction and includes related charges recovered from customers/ constituents.
- Income from trading in securities, commodities and derivatives and arbitrage comprises Profit/Loss on sale of Securities/Commodities held as Stock-in-Trade and Profit/ Loss on Equity/ Commodity and derivatives instruments. Profit/ loss on sale of securities/ commodities is determined based on the FIFO cost of the Securities/ Commodities sold and is accounted for on the trade date of transaction. Profit/ loss on Equity/ Commodity derivatives transactions is accounted as explained below:

Equity Index/ Stock Commodity and Derivatives

1. 'Initial Margin' representing Initial Margin paid, and 'Margin Deposits', representing additional margin over and above initial margin, for entering into contracts for equity Index/Stock and commodity futures, which are released on Final Settlement/ Squaring-up of underlying contracts, are disclosed under 'short-term/ long-term loans and advances'.
2. Equity Index/Stock and Commodity Futures are marked-to-market on a daily basis. Debit or Credit balance disclosed under 'Short Term Loans and Advances' or 'Current Liabilities', respectively, in the 'Mark-to-Market Margin–Equity Index/ Stock and Commodity Futures Account', represents the Net Amount Paid or Received on the basis of movement in the prices of index/ stock futures till the Balance Sheet date.
3. As on the Balance Sheet date, profit/ loss on open positions in Index/ Stock and Commodity Futures are accounted for as follows:
 - Credit balance in the 'Mark-to-Market Margin–Equity Index/ Stock and Commodity Futures Account', being anticipated profit, is ignored and no credit for the same is taken in the Statement of Profit and Loss.
 - Debit Balance in the 'Mark-to-Market Margin–Equity Index/ Stock and Commodity Futures Account', being anticipated loss is adjusted in the Statement of Profit and Loss.
 - On final settlement or squaring-up of contracts for Equity Index/ Stock and Commodity 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 and Commodity Futures Account' is recognised in the Statement of Profit and Loss. When more than one contract in respect of the relevant series of Equity Index Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using FIFO method for calculating Profit/Loss on squaring-up.
- c) Dividend from Investments is accounted for as income when the Right to Receive Dividend is established.
- d) Income from Interest on financing activities is recognised on accrual basis as per Contractual Terms and when there is no uncertainty in receiving the same. In terms of the RBI directions, interest income on Non-Performing Assets (NPA's), if any, is recognised only when it is actually realised.
- e) Income from Interest on fixed deposit, depository income, portfolio management fees and other heads of income are accounted on accrual basis.
- f) In respect of other heads of income, the Company follows the practice of recognizing income on an accrual basis.

(x) Foreign Currency Transactions

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

Monetary assets and Monetary Liabilities denominated in Foreign Currency are translated at the Exchange Rate prevailing at the date of Balance Sheet and resultant gain/ loss, if any, is recorded as an income or expense in the period in which they arise.

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

(xi) Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date to determine whether there is any Indication of Impairment. If any such indication exists, the Recoverable Amount of the asset is estimated. For assets that are not yet available for use, the recoverable is estimated at each Balance Sheet date. An Impairment Loss is recognised whenever the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment Losses are recognised in the Statement of Profit and Loss. An Impairment Loss is reversed if there has been a change in the estimates used to determine the Recoverable

amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

(xii) Current and Deferred Tax

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

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

(xiii) Employee Benefits

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

Short-term employee benefits

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

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

Defined Contribution Plan

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

Defined Benefit plan

The Company pays Gratuity to employees who retire or resign after a minimum period of five years of continuous service. The Gratuity Liability as at year end is determined by an Independent Actuary appointed by the Company. Actuarial Valuation of Gratuity Liability is calculated based on certain assumptions regarding Rate of Interest, Salary Growth, Mortality and Staff Attrition as per the Projected Unit Credit Method.

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

(xiv) Leases

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

(xv) Provision, Contingent Liabilities and Contingent Assets

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a Contingent Liability is made when there is a possible obligation or a present obligation that

may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

Contingent Assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the Asset and Related Income are recognised in the period in which the change occurs.

(xvi) Earnings per Share

Basic Earnings per Share is computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of Equity and Dilutive Potential Equity Equivalent Shares Outstanding during the year, except where the results would be anti-dilutive.

(xvii) Reserve Bank of India Prudential Norms

Globe Fincap Limited, Subsidiary of the Company, is registered with the Reserve Bank of India (RBI) as a Non-Banking Financial Company (NBFC) and thus complies with the prudential norms relating to Income Recognition, Accounting Standards, Asset Classification and the Minimum Provisioning for standard, sub-standard, and bad and doubtful debts, specified in the directions issued by the RBI in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ('Prudential Norms'), as applicable to it. Provision on Standard Assets has been provided at the rate of 0.25% on Outstanding Balance in accordance with the Prudential Norms.

In accordance with Para 10 of Prudential Norms, the Company has separately shown provision for loans under Short-term/ Long-term Provisions (as applicable) without netting off from loans.

(xviii) Cash and Cash Equivalents

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

(xix) Commercial Paper

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

GLOBE CAPITAL MARKET LIMITEDSignificant accounting policies and notes to the consolidated financial statements for the year ended 31st March 2014Amount
In "₹"

	As at 31 st March 2014	As at 31 st March 2013
2.01(a) : Share Capital		
Authorised		
50,500,000 (previous year 50,500,000) equity shares of ₹ 10 each	505,000,000	505,000,000
500,000 (previous year 500,000) 10% non-cumulative redeemable preference shares of ₹ 10 each.	5,000,000	5,000,000
Issued, Subscribed and Fully Paid-up:		
32,812,500 (previous year 32,812,500) equity shares of ₹ 10 each	328,125,000	328,125,000
	328,125,000	328,125,000

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

	As at 31 st March 2014		As at 31 st March 2013	
	Number	Amount	Number	Amount
At the beginning of the year	32,812,500	328,125,000	32,812,500	328,125,000
Issued during the period	-	-	-	-
Outstanding at the end of the year	32,812,500	328,125,000	32,812,500	328,125,000

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

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

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

Name of the Shareholder	Number of Shares as at 31 st March 2014	Number of Shares as at 31 st March 2013
Ashok Kumar Agarwal	5,775,000	5,775,000
Yashpal Mendiratta	5,772,900	5,772,900
Alka Agarwal	2,100,000	2,100,000
Alka Mendiratta	2,100,000	2,100,000
Lakshya Impex Private Limited	2,625,000	2,625,000
Rolex Finvest Private Limited	2,625,000	2,625,000
Client Rosehill Limited (formerly known as CVCIGP II Client Rosehill Limited)	4,188,324	4,188,324
CVCIGP II Employee Rosehill Limited	2,345,805	2,345,805

2.01(e): Shares allotted as fully-paid up by way of bonus shares (during 5 years immediately preceding 31st March 2014):

	31 st March 2013	31 st March 2012	31 st March 2011	31 st March 2010	31 st March 2009
Equity shares allotted as fully paid up bonus shares by capitalisation of securities premium account	-	-	31,250,000	-	-

Amount
In "₹"

Particulars	As at 31 st March 2014	As at 31 st March 2013
2.02: Reserves and Surplus		
Capital Redemption Reserve		
Opening balance	168,887,050	93,500,000
Add: Addition during the year	11,000,000	75,387,050
	179,887,050	168,887,050
Capital Reserve on Consolidation		
Opening balance	43,057,120	43,057,120
Foreign Currency Translation Reserve		
Opening balance	12,292,519	10,312,218
Add: Addition during the year	13,781,340	1,980,301
	26,073,859	12,292,519
Securities Premium Account		
Opening balance	1,332,525,772	1,332,525,772
General Reserve		
Opening balance	1,800,000,000	1,650,000,000
Add: Addition during the year	250,000,000	150,000,000
	2,050,000,000	1,800,000,000
Statutory Reserve *		
Opening balance	91,010,903	55,700,808
Add: Additions during the year	39,186,138	35,310,095
	130,197,041	91,010,903
Surplus in the Statement of Profit and Loss		
Opening balance	3,489,016,223	2,930,835,429
Less: Transition adjustment on adoption of Accounting Standard-15 (revised) **	(699,740)	-
Add: Profit for the year transferred from the Statement of Profit and Loss	1,006,532,096	818,877,939
	4,494,848,579	3,749,713,368
Less: Transfer to statutory reserve	(39,186,138)	(35,310,095)
Less: Transfer to capital redemption reserve	(11,000,000)	(75,387,050)
Less: Transfer to general reserve	(250,000,000)	(150,000,000)
	4,194,662,441	3,489,016,223
	7,956,403,283	6,936,789,587

* Statutory reserve represents the reserve fund created under Section 45-IC of the Reserve Bank of India Act, 1934 (RBI Act). Under Section 45-IC, a company is required to transfer sum not less than twenty percent of its net profit every year to a reserve fund. Accordingly, the Company has transferred ₹ 39,186,138 (previous year ₹ 35,310,095), being twenty percent of net profits from its financial activities in its subsidiary (Globe Fincap Limited) for the financial year to the Statutory Reserve. The Statutory Reserve can be utilised for the purposes as specified by the Reserve Bank of India from time to time.

**refer note 2.25

Amount
In "₹"

Particulars	Amount	
	As at 31 st March 2014	As at 31 st March 2013
2.03: Long-term Borrowings (secured)		
Term Loan from other parties*	270,269,492	250,732,836
	270,269,492	250,732,836

* Comprises of two loans of ₹ 270,000,000 (previous year ₹ 250,000,000) and ₹ 269,492 (previous year ₹ 732,836), both having original maturity of 3 years. The Rate of Interest on the first loan varies from 11.50% per annum to 12.50% per annum (previous year 12.00% per annum to 12.25% per annum) and is secured against securities pledged, repayable on maturity with pre-payment option. The second loan is Interest Free Term Loan, secured by hypothecation of a vehicle.

2.04: Long-term Provisions

Provision for Gratuity #	18,080,468	16,825,418
Provision for standard Assets	1,493,838	6,453,547
	19,574,306	23,278,965

refer to note 2.25

2.05: Short-term Borrowings

Secured

Loans repayable on demand from banks (overdrafts) #	963,928,040	312,585,534
Loans from other parties *	290,000,000	-

Unsecured

Commercial Paper ^	244,055,250	-
Loan from related parties **	5,000,000	-
	1,502,983,290	312,585,534

secured against Fixed Deposits pledged, Interest Rate varies from 9.50% to 12.80% per annum (previous year 8.50% to 12.80% per annum).

* loan amounting to ₹ 290,000,000 (previous year Nil) is repayable upto 12th September 2014 (with an option to renew at the sole discretion of lender). Interest rate on the loan varies from 11.50% to 13.00% per annum (previous year Nil), repayable on Maturity with pre-payment option.

^ Face Value ₹ 250,000,000 (previous year Nil) net of unamortised discount of ₹ 5,944,750 (previous year Nil). Discount rate 10.35% per annum (previous year Nil).

** interest rate on the loan is 12% per annum (previous year Nil).

2.06: Trade Payables

Payables against goods and services	80,230,953	33,979,037
- others		
	80,230,953	33,979,037

Amount
In "₹"

Particulars	As at 31 st March 2014	As at 31 st March 2013
2.07: Other Current Liabilities		
Advance/ Margin received from:		
- customers	3,624,423,990	5,153,699,077
- related parties	502,646	24,379,927
Payable to Exchanges	242,284,521	81,488,248
Current Maturities of long term debt	463,344	400,463,344
Salary, bonus and other employee payables	45,917,299	52,652,822
Interest accrued but not due on borrowings	9,533,345	22,965,194
Income received in advance	6,492,380	9,210,351
Book Overdrafts	215,769,409	20,729,740
Withholding and other Taxes Payable	24,127,021	31,953,738
	4,169,513,955	5,797,542,441
2.08: Short-term provisions		
Provision for Gratuity #	4,587,374	4,404,384
Provision for income-tax [(net of income-tax recoverable ₹ 85,977,272 (previous year ₹ 130,249,634)]	10,022,728	1,350,366
Provision for Wealth Tax	13,007	-
Provision for Standard Assets	5,719,547	641,447
Provision for Non Performing Assets	-	6,909,325
	20,342,656	13,305,522

refer to note 2.25

GLOBE CAPITAL MARKET LIMITEDSignificant Accounting Policies and notes to the Consolidated Financial Statements for the year ended 31st March 2014

Particulars	Gross Block			Accumulated Depreciation/ Amortisation			Net Block		Amount In "₹"
	As at 1 st April 2013	Additions during the year	Deletions during the year	As at 31 st March 2014	As at 1 st April 2013	Depreciation charge for the year	Deletions during the year	As at 31 st March 2014	
2.09 Fixed assets									
Tangible assets									
Building	3,728,725 (3,728,725)	- -	- -	3,728,725 (3,728,725)	789,281 (728,503)	60,778 (60,778)	- -	850,059 (789,281)	2,939,444
Furniture and fittings	8,007,707 (6,617,513)	126,688 (1,934,029)	2,137,452 (543,835)	5,996,943 (8,007,707)	5,202,689 (4,258,785)	303,331 (1,397,217)	1,785,816 (453,313)	3,720,204 (5,202,689)	2,805,018
Computers	79,579,993 (68,692,707)	458,969 (11,629,095)	5,290,704 (741,809)	74,748,258 (79,579,993)	52,373,448 (43,027,527)	9,452,572 (9,767,304)	5,014,206 (421,383)	56,811,814 (52,373,448)	27,206,545
Office equipment	21,246,816 (18,224,487)	1,651,144 (4,090,257)	5,801,764 (1,067,928)	17,096,196 (21,246,816)	5,765,841 (5,130,525)	1,053,146 (860,972)	2,032,943 (225,656)	4,786,044 (5,765,841)	15,480,975
Vehicles	8,415,045 (3,910,338)	4,300,000 (4,504,707)	- -	12,715,045 (8,415,045)	1,526,290 (1,003,562)	1,155,327 (522,728)	- -	2,681,617 (1,526,290)	6,888,755
Total tangible assets (I) Previous year	120,978,286 (101,173,770)	6,536,801 (22,158,087)	13,229,920 (2,353,572)	114,285,167 (120,978,286)	65,657,549 (54,148,902)	12,025,154 (12,609,000)	8,832,965 (1,100,352)	68,849,738 (65,657,549)	55,320,737 -
Intangible assets									
Software	6,356,775 (6,356,775)	- -	- -	6,356,775 (6,356,775)	5,908,446 (4,987,244)	398,217 (921,202)	- -	6,306,663 (5,908,446)	448,329
Total tangible assets (II) Previous year	6,356,775 (6,356,775)	- -	- -	6,356,775 (6,356,775)	5,908,446 (4,987,244)	398,217 (921,202)	- -	6,306,663 (5,908,446)	448,329 -
Total (I+II)	127,335,061 (107,530,545)	6,536,801 (22,158,088)	13,229,920 (2,353,572)	120,641,942 (127,335,061)	71,565,995 (59,136,146)	12,423,371 (13,530,201)	8,832,965 (1,100,352)	75,156,401 (71,565,995)	55,769,066
Previous year									

Figures in bracket relates to previous year

GLOBE CAPITAL MARKET LIMITEDSignificant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended 31st March 2014

	Amount In "₹"	
	As At 31 st March 2014	As At 31 st March 2013
2.10: Non-current Investment (non-trade, at cost)		
A. Investment in Equity Instruments		
Quoted		
Fully paid up of Face Value ₹ 10 each		
4, 892 (previous year 4,892) shares of Kothari Products Limited	739,377	739,377
2,606 (previous year 2,606) shares of Mawana Sugar Limited	52,102	52,102
Nil (previous year 190,612) shares of Castrol India Limited	-	9,729,018
121,261 (previous year 121,261) shares of Jayshree Chemicals Limited	1,818,914	1,818,914
27,197 (previous year 27,197) shares of Oberoi Realty Limited	7,071,220	7,071,220
92 (previous year 92) shares of State Bank of Mysore	49,680	49,680
108,600 (previous year 108,600) shares of Murudeshwar Ceramics Limited	2,172,000	2,172,000
2,602 (previous year 2,602) shares of State Bank of Bikaner & Jaipur	1,014,780	1,014,780
44,000 (previous year 44,000) shares of Power Finance Corporation	8,932,000	8,932,000
1,200 (previous year 600) shares of Thejo Engineering Limited	241,200	241,200
7,365 (previous year 7,365) shares of Uttam Sugar Mills Limited	162,030	162,030
Nil (previous year 33) shares of Bajaj Finance Limited	-	36,300
Fully paid up of Face Value ₹ 5 each		
190,612 (previous year Nil) shares of Castrol India Limited	8,775,958	-
Fully paid up of Face Value ₹ 2 each		
11,947 (previous year 11,947) shares of East India Hotels Limited	788,502	788,502
Fully paid up of Face Value ₹ 2 each , ₹ 1 paid up		
Nil (previous year 1,205) shares of Bhushan Steel Limited	-	201,838
Unquoted		
Equity Shares, fully paid up of Face Value ₹ 10 each		
Nil (previous year 468) shares of Farm Enterprises Limited	-	93,690
4,500 (previous year 3,000) shares of Gujarat NRE Mineral Resources Limited	100,000	100,000
159 (previous year 159) shares of Sistema Shyam Teleservices Limited	1,590	1,590
B. Investment in Bonds		
Quoted secured bonds, fully paid up of Face Value ₹ 1,000 each (tax free)		
9,563 (previous year 9,563) 8.20% bonds of Indian Railway Finance Corporation Limited	9,563,000	9,563,000
	41,482,353	42,767,241
Aggregate market value of quoted investments	88,711,636	82,356,541
Aggregate book value of quoted investments	41,380,763	42,571,961
Aggregate book value of unquoted investments	101,590	195,280

Amount
In "₹"

	As At 31 st March 2014	As At 31 st March 2013
2.11: Deferred Tax Assets (net)		
Deferred Tax Assets		
Provision on Standard Assets	2,451,830	2,411,588
Provision for Non-performing Assets	-	2,348,480
Provision for Doubtful Debts	7,982,874	9,412,121
Provision for Doubtful Advances	375,024	375,024
Priliminary Expenses written off	49,590	77,926
Provision for Gratuity	7,704,799	7,216,009
Disallowances u/s 43B of the Income-tax Act, 1961	5,109,745	4,828,416
Total (A)	23,673,862	26,669,564
Deferred Tax Liability		
Difference between carrying cost of Fixed Assets as per Companies Act, 1956 and Income-tax Act, 1961	5,819,876	7,970,984
Total (B)	5,819,876	7,970,984
Deferred Tax Assets (net) (A-B)	17,853,986	18,698,580
2.12: Long-term Loans and Advances		
Secured, considered good		
Loans	485,399,457	2,261,194,453
Unsecured, considered good		
Loans	112,135,928	320,224,377
Margins/Deposits with Stock Exchange and others	66,868,983	69,172,201
Income-taxes recoverable	144,713,786	129,177,522
[net of provision for tax ₹ 1,923,475,737 (previous year ₹ 1,541,014,926)]		
Capital advances	140,000,000	80,000,000
Other advances	3,121,580	2,584,733
Unsecured, considered doubtful		
Other advances	1,103,335	1,103,335
	953,343,069	2,863,456,621
Less: Provision for doubtful advances	1,103,335	1,103,335
	952,239,734	2,862,353,286
2.13: Other Non-current Assets (Unsecured, considered good)		
Bank deposits with maturity more than twelve months *		
- placed under lien with banks	227,274,019	333,260,169
- pledged with the clearing corporations and stock exchanges as margin	406,175,000	1,974,778,000
- deposits in hand	2,021,417	-
	635,470,436	2,308,038,169
Interest Accrued but not Due	2,710,386	3,410,772
	638,180,822	2,311,448,941

* refer to note 2.16

	Amount In "₹"	
	As At 31 st March 2014	As At 31 st March 2013
2.14: Inventories (at lower of cost and net realizable value)		
Stock-in-Trade of Securities, Commodities and Bonds	2,625,550,110	1,301,773,099
	2,625,550,110	1,301,773,099
2.15: Trade Receivables		
Secured		
a) Outstanding for more than six months from due date - Considered good	24,110,086	18,948,580
b) Other Trade Receivables - Considered good	179,068,278	188,370,960
Unsecured		
a) Outstanding for more than six months from due date - Considered good - Considered doubtful	31,803,744 22,387,211	15,492,392 23,920,334
b) Other trade receivables - Considered good - Considered doubtful	23,503,940 1,098,739	59,147,571 3,770,520
	281,971,998	309,650,357
Less: Provision for doubtful debts	23,485,950	27,690,854
	258,486,048	281,959,503
2.16: Cash and Bank Balances		
Cash and Cash Equivalents		
Cash in hand	355,676	344,163
Balances with banks:		
- in current accounts	509,871,988	411,399,457
- fixed deposits less than three months	22,708,040	-
	532,935,704	411,743,620
Other Bank Balances		
Bank deposits with maturity less than twelve months *		
- placed under lien with banks	3,439,642,314	3,169,000,000
- pledged with the clearing corporations and stock exchanges as margin	2,220,126,483	1,376,721,728
- deposits in hand	17,520,983	61,500,000
	5,677,289,780	4,607,221,728

Amount
In "₹"

	As At 31 st March 2014	As At 31 st March 2013
Bank Deposits with Maturity more than twelve months *		
- placed under lien with banks	227,274,019	333,260,169
- pledged with the clearing corporations and stock exchanges as margin	406,175,000	1,974,778,000
- deposits in hand	2,021,417	-
	635,470,436	2,308,038,169
Total Cash and Bank Balances	6,845,695,920	7,327,003,517
Less: bank deposits with maturity more than twelve months	635,470,436	2,308,038,169
	6,210,225,484	5,018,965,348

* excludes Bank Deposits given to exchanges by constituents, as margins, on their behalf amounting to ₹ 3,598,942,136 (previous year ₹ 3,670,091,852)

2.17: Short-term Loans and Advances

Secured

Loan

2,092,177,946	256,578,702
---------------	-------------

Unsecured

Margins/ Deposit with Stock Exchange and others

539,077,686	1,011,017,376
-------------	---------------

Receivable from Exchanges *

578,504,191	369,012,491
-------------	-------------

Recoverable from clients

13,256,863	27,452,694
------------	------------

Loan

195,640,614	6,909,325
-------------	-----------

Other advances

65,948,476	76,148,857
------------	------------

3,484,605,776	1,747,119,445
----------------------	----------------------

* Net of amounts recoverable from clients

2.18: Other current assets

Interest Accrued but not due on Fixed Deposits

69,768,744	67,079,442
------------	------------

Dividend Receivable

3,285,912	106,974
-----------	---------

Others

278,425	87,341
---------	--------

73,333,081	67,273,757
-------------------	-------------------

Amount
In "₹"

	For the year ended 31 st March 2014	For the year ended 31 st March 2013
2.19: Revenue from Operations		
Brokerage earned (gross)	975,401,603	1,207,793,114
Income from securities and commodities trading	432,303,797	638,440,903
Income from Depository and Portfolio Management Services	29,823,221	33,192,670
Dividend earned	318,407,599	29,640,550
Income from interest on loans	455,673,767	392,959,506
Other Operating Revenues		
Interest earned *	742,057,021	692,748,495
Gain on sale of investments (net)	1,170,535	53,264,248
Dividend Income on Long-term Investments	1,974,427	2,291,499
Provisions/ Liabilities no longer required written-back	3,823,720	71,501
Interest on Investment in Tax-free Bonds	766,794	4,706,124
	2,961,402,484	3,055,108,610

* Includes interest on Fixed Deposits placed with banks ₹ 649,209,456 (previous year ₹ 620,430,210) and late pay-in charges recovered from clients on delayed payments etc. ₹ 92,847,565 (previous year ₹ 72,318,285).

2.20: Other income

Gain on Exchange Rate Fluctuation	2,822,133	872,152
Miscellaneous	235,612	199,871
	3,057,745	1,072,023

2.21: Employee Benefits Expenses

Salaries and wages	388,719,449	448,478,519
Contribution to provident and other funds	410,396	3,077,432
Gratuity	1,674,609	5,038,400
Staff Welfare	5,984,568	6,440,762
	396,789,022	463,035,113

Amount
In "₹"

		For the year ended 31 st March 2014	For the year ended 31 st March 2013
2.22: Other expenses			
Communication		31,583,415	35,421,178
Travelling and conveyance		22,693,107	24,189,601
Printing and Stationery		2,960,938	4,425,730
Rent #		52,125,773	55,416,932
Rates and Taxes (net of recoveries)		4,462,355	7,452,319
Fees and Subscription		3,181,093	4,181,654
Bad debts written-off			
Debts written-off during the year	16,689,542		67,836,434
Less: provision made earlier, no longer	8,440,347	8,249,195	-
Provision for Doubtful Debts		-	17,955,431
Provision for Doubtful Advances		-	1,103,335
Provision for Standard Assets		118,391	1,941,166
Provision for Non-performing Assets		-	5,527,460
Entertainment/ Business Promotion		2,739,982	2,695,701
Brokerage and Commission		126,230,695	167,668,731
Electricity		13,318,158	12,894,711
Depository Expenses		6,695,387	6,704,122
Warehouse Charges		10,864,328	15,117,198
Exchange Charges		369,773,886	481,307,219
Advertisement		15,915,534	7,135,510
Legal and Professional		20,005,934	19,238,726
Repairs and Maintenance - others		11,822,465	11,882,062
Insurance		1,397,409	1,013,652
Computer and Data Processing charges		18,400,194	29,913,734
Donation		329,000	112,000
Audit Fees *		4,782,368	4,845,394
Festival Expenses		2,713,624	3,527,015
Security Transaction Tax		100,760,893	105,970,068
Commodity Transaction Tax		1,440,513	-
Loss on sale of Fixed Assets (net)		2,268,140	668,471
Loss on exchange Rate Fluctuation		140,079	-
Miscellaneous		6,323,513	5,220,560
		841,296,369	1,101,366,114

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.

Amount
In "₹"

	For the year ended 31 st March 2014	For the year ended 31 st March 2013
* Audit fees includes (excluding service tax):		
As auditor	2,825,000	3,226,230
For Tax Audit	75,000	75,000
Other matters	1,400,000	1,050,000
Reimbursement of expenses	369,206	296,000
	4,669,206	4,647,230
2.23: Finance Costs		
Interest expense		
- on term loans from banks	3,789,589	-
- on bank overdrafts	112,084,601	52,420,239
- on others	200,501,187	229,580,429
Other borrowing costs	39,811,581	25,211,634
	356,186,958	307,212,302
2.24 Contingent Liabilities and Commitments (to the extent not provided for)	As At 31st March 2014	As At 31st March 2013
Particulars		
Contingent Liabilities`		
Claims against the Group not acknowledged as debt (on account of arbitration filed by client)	6,004,084	9,869,404
Commitments		
On contracts remaining to be executed on Capital Account and not provided for	20,000,000	10,000,000

2.25 Disclosures with respect to Accounting Standard-15, Employee Benefits

(i) The following table sets out the status of unfunded Gratuity plan and the amounts recognized in the Company's Financial Statements as at 31st March 2014 and 31st March 2013:

Particulars	Amount In "₹"	
	For the year ended 31 st March 2014	For the year ended 31 st March 2013
a) Change in Present Value of Obligation		
Present value of obligation at the beginning of the year	21,229,802	16,480,116
Add: Transition Adjustment *	699,740	-
Current Service Cost	4,168,660	4,641,183
Interest Cost	1,762,060	1,402,704
Benefit Paid	(936,309)	(288,714)
Actuarial (gain)/Loss on Obligation	(4,256,111)	(1,005,487)
Present Value of Obligations at the end of the year	22,667,842	21,229,802
b) Amount Recognised in the Balance Sheet		
Present value of obligations at the end of the year	22,667,842	21,229,802
Net Liability recognised in the Balance Sheet #	22,667,842	21,229,802
c) Gratuity Cost for the year		
Current Service Cost	4,168,660	4,641,183
Interest Cost	1,762,060	1,402,704
Net Actuarial (gain)/ loss recognised in the year	(4,256,111)	(1,005,487)
Net Gratuity Cost recognised in the Statement of Profit and Loss	1,674,609	5,038,400
d) Assumptions used for Actuarial Valuation		
Discount Rate	9.10%	8.00%
Rate of Increase in Compensation	5.00%	5.00%
Withdrawal Rate	10.00%	10.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (1994-96)(modified)

* With effect from 1st April 2013, Globe Fincap Limited has adopted Accounting Standard (AS) 15 (revised 2005) 'Employee Benefits'. Pursuant to the adoption of this Standard, the additional obligation of the company with respect to certain employee benefits up to 31st March 2013 amounting to ₹ 699,740 has been adjusted from the opening balances of surplus in Statement of Profit and Loss as at 1st April 2013.

includes current portion ₹ 4,587,374 (previous year ₹ 4,404,384) and non-current portion ₹ 18,080,468 (previous year ₹ 16,825,418)

(ii) Experience Adjustments

	For the year ended 31 st March 2014	For the year ended 31 st March 2013	For the year ended 31 st March 2012	For the year ended 31 st March 2011	For the year ended 31 st March 2010
Present Value of Obligation	22,109,136	21,229,802	16,480,116	13,707,864	13,838,863
Surplus/ (Deficit)	(22,109,136)	(21,229,802)	(16,480,116)	(13,707,864)	(13,838,863)
Experience Adjustments on Plan Liabilities	2,481,651	1,617,870	1,291,190	(342,320)	1,828,689

Explanations to Assumptions used for Actuarial Valuation for Gratuity

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

2.26 Related Party Transactions

a) List of the related parties:

Key Management Personnel:

Yashpal Mendiratta *	Whole Time Director
Ashok Kumar Agarwal *	Whole Time Director
Alka Mendiratta *	Whole Time Director, Globe Commodities Limited
Alka Agarwal *	Whole Time Director, Globe Commodities Limited
Amit Bansal	Director, Globe Commodities Limited
Nidhi Mendiratta *	Whole Time Director, Globe Fincap Limited (till 30 th September 2013)
	Whole Time Director, Globe Derivatives and Securities Limited (w.e.f. 1 st October 2013)
Sahil Mendiratta *	Whole Time Director, Globe Fincap Limited
Arpit Agarwal *	Whole Time Director, Globe Fincap Limited
Ramesh Ahuja	Whole Time Director, Sapien Capital Limited
Ankit Agarwal *	Whole Time Director, Globe Derivatives and Securities Limited (w.e.f. 16 th August 2013)

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

A To Z Venture Capital Limited
Rolex Finvest Private Limited *
A To Z Consultants Private Limited *
M. Agarwal Stock Brokers Private Limited
Lakshya Impex Private Limited *
Yashpal Mendiratta (HUF) *
Ashok Kumar Agarwal (HUF) *

* the above parties are also shareholders of the Company

b) Transactions with Related Parties

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Amount In "₹"
			Enterprises in which Key Management Personnel and/or their relatives have significant influence
Short-term Loan Received			
Lakshya Impex Private Limited			137,821,260 (-)
Short-term Loan Repaid			
Alka Agarwal	-		
	(10,190,000)		
Alka Mendiratta	-		
	(15,000)		
Lakshya Impex Private Limited			132,821,260 (-)
Brokerage Earned			
Rolex Finvest Private Limited			-
			(43,119)
Lakshya Impex Private Limited			357,439
			(154,968)
M.Agarwal Stock Brokers Private Limited			20,671
			(203,945)
A to Z Venture Capital Limited			4,464 (-)
Interest Income			
Lakshya Impex Private Limited			1,421,260 (-)
Income from Portfolio Management Services			
Rolex Finvest Private Limited			-
			(5,537)
M.Agarwal Stock Brokers Private Limited			66,044 (66,566)
Income from Depository Services			
Rolex Finvest Private Limited			12,921 (1,112)
Lakshya Impex Private Limited			843 (806)
M.Agarwal Stock Brokers Private Limited			5,436 (1,636)
Others	-	-	3,652 (622)
	(11,964)	(622)	

Amount
In "₹"

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Enterprises in which Key Management Personnel and/or their relatives have significant influence
Remuneration to Directors			
Ashok Kumar Agarwal #	3,639,600		
	(3,639,600)		
Yashpal Mendiratta #	3,639,600		
	(3,639,600)		
Alka Agarwal	480,000		
	(480,000)		
Alka Mendiratta	480,000		
	(480,000)		
Nidhi Mendiratta	1,650,000		
	(1,500,000)		
Sahil Mendiratta	1,250,000		
	(900,000)		
Arpit Agarwal	1,250,000		
	(900,000)		
Ankit Agarwal	563,710		
	(-)		
Ramesh Ahuja	2,345,981		
	(6,534,934)		
Expenses (Rent)			
Ashok Kumar Agarwal	135,000		
	(135,000)		
Yashpal Mendiratta	135,000		
	(135,000)		
Alka Agarwal	450,000		
	(450,000)		
Alka Mendiratta	450,000		
	(450,000)		
Ashok Kumar Agarwal (HUF)			745,800
			(745,800)
Yashpal Mendiratta (HUF)			745,800
			(745,800)
A to Z Venture Capital Limited			876,120
			(876,120)
A to Z Consultants Private Limited			588,000
			(588,000)
Lakshya Impex Private Limited			866,160
			(240,600)
Balances Outstanding as at the year end			
Advance/ Margin received from related parties			
M. Agarwal Stock Brokers Private Limited			502,646
			(24,379,927)
Lakshya Impex Private Limited			5,000,000
			(-)

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Enterprises in which Key Management Personnel and/or their relatives have significant influence	Amount In "₹"
Salary, Bonus and other Payables				
Ashok Kumar Agarwal	239,595			(165,000)
Yashpal Mendiratta	249,529			(153,000)
Alka Agarwal	4,869			(5,000)
Alka Mendiratta	4,912			(5,000)
Nidhi Mendiratta	99,513			(98,000)
Sahil Mendiratta	139,919			(67,500)
Arpit Agarwal	104,919			(69,550)
Ankit Agarwal	59,919			(-)

includes value of perquisites

Notes:

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

2.27 Segment Reporting

a. Business Segment

- i. The business segment has been considered as the Primary Segment.
- ii. The Group's primary business segments are reflected based on principal business activities, the nature of product or service, the risks and returns, the organisation's structure and the internal financial reporting system.
- iii. The Group's business comprises of dealing in shares, commodities, securities and derivatives either on its own or on behalf of its constituents, financing activities and other related ancillary services. The entire operations are governed by the same set of risk and returns, hence, there is no reportable business segment, however pursuant to Clause 31 of Accounting Standard 17 on Segment Reporting as prescribed by the Companies (Accounting Standards) Rules, 2006, current year disclosures have been made accordingly and therefore reportable segment for the current year is as under:
 - a) Capital markets: comprises brokerage income earned on secondary market transactions done on behalf of clients, services rendered as depository participant and proprietary trading in securities, commodities and derivatives.
 - b) Financing activities: comprises the financing activities carried out by the NBFC subsidiary - Globe Fincap Limited.

b. Geographical Segment

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

a) Primary Segment information (by business segments)

Particulars	Capital market	Financing activities	Unallocated others	Total
i) Segment Revenue	2,509,035,599 (2,663,221,127)	455,424,631 (392,959,506)	- (-)	2,964,460,230 (3,056,180,633)
ii) Segment Results	1,253,013,238 (1,098,117,156)	301,478,546 (262,726,651)	- (-)	1,554,491,784 (1,360,843,807)
Less: Interest expenses				168,610,771 (165,692,262)
Less: Unallocated expenditure (net of unallocated income)				28,116,504 (24,114,642)
Add: Exceptional item				1,506,304 (-)
Less: Taxation #				349,169,347 (348,045,153)
Total profit after tax				1,010,101,466 (822,991,750)
Less: Minority interest (share of profit)				3,569,370 (4,113,811)
Profit available for shareholders				1,006,532,096 (818,877,939)
iii) Segment assets	11,111,926,612 (10,845,459,192)	2,885,353,946 (2,581,418,830)	332,308,391 (262,551,664)	14,329,588,949 (13,689,429,686)

iv) Segment Liabilities	5,337,550,018	581,879,818	143,484,814	6,062,914,650
	(6,116,485,298)	(291,520,291)	(35,208,090)	(6,443,213,679)
v) Capital Expenditure	2,077,060	-	144,459,741	146,536,801
	(21,343,853)	(-)	(814,235)	(22,158,088)
vi) Depreciation	11,672,745	-	750,626	12,423,371
	(13,169,376)	(-)	(360,825)	(13,530,201)
vii) Non Cash Expenses other than Depreciation				
- Bad debts written off (net of provision written back)	2,186,106 (61,380,612)	6,063,089 (6,455,822)	- (-)	8,249,195 (67,836,434)
- Provision for doubtful debts	- (17,955,431)	- (-)	- (-)	- (17,955,431)
- Provision for doubtful advance	- (1,103,355)	- (-)	- (-)	- (1,103,355)
- Provision for standard assets	- -	118,391 (1,941,166)	- (-)	118,391 (1,941,166)
- Provision for Non-performing Assets	- (-)	- (5,527,460)	- (-)	- (5,527,460)
- Provision for gratuity	1,674,609 (5,038,400)	- (-)	- (-)	1,674,609 (5,038,400)

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

b) Secondary Segment Information (by Geographical segments)

Revenue, Assets and Addition to Tangible and Intangible Fixed Assets by geographical area	Revenue	Assets	Addition to fixed assets and tangible
Within India	2,901,252,627 (2,938,291,248)	14,130,303,427 (12,850,298,698)	6,536,801 (20,587,446)
Outside India	63,207,602 (117,889,385)	199,285,520 (839,130,986)	- (1,570,642)
Total	2,964,460,229 (3,056,180,633)	14,329,588,947 (13,689,429,684)	6,536,801 (22,158,088)

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

2.28 Basic and diluted earnings per shareAmount
In "₹"

Description	For the year ended 31 st March 2014	For the year ended 31 st March 2013
Net Profit after Tax	1,010,101,466	822,991,750
Less: share of loss transferred to Minority Interest	(3,569,370)	(4,113,811)
Net profits attributable to equity shareholders (A)	1,006,532,096	818,877,939
Equity shares outstanding during the year for calculation of basic and diluted earnings per share (B)	32,812,500	32,812,500
Basic and diluted earnings per equity share of the Face Value of ₹ 10 each (C = A/B)	30.68	24.96

2.29 During the year, the Step-down subsidiary of the Company disinvested its stake in 'Sapien Capital Limited', vide a 'sale & purchase agreement' dated 15th July 2013. The regulatory/ contractual formalities for both the parties have been completed during the year.

2.30 In the absence of any trade mechanism, in its meeting on 3rd June 2013, the Board of Directors had decided to delist the equity shares of the Company from the Delhi Stock Exchange ('DSE') and made an application to SEBI vide letters dated 3rd June 2013 and 23rd July 2013 seeking certain clarifications/exemptions from the delisting regulations. SEBI vide its letter dated 4th March 2014 has expressed its inability to provide the required exemption. Post that, SEBI came out with Circular no. CIR/MRD/DSA/18/2014 dated 22nd May 2014 regarding course of action for "non-operational stock exchanges". As per the Circular, stocks listed on these Non Operational Exchanges will automatically be delisted, with an option for such companies to list in BSE/NSE.

2.31 Previous year's figures have been regrouped/ rearranged wherever considered necessary to confirm to the current year's classifications.

As per our report of even date attached

For **BSR & Co. LLP**
Chartered Accountants

Firm Registration No.: 101248W

For **Atul & Rajinder**
Chartered Accountants

Firm Registration No.: 005402N

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

Jiten Chopra

Partner

Membership No.: 092894

Rajinder Malhotra

Proprietor

Membership No.: 083680

Yashpal Mendiratta

Director

Ashok Kumar Agarwal

Director

Pradeep Khandelwal

Company Secretary

Place: Gurgaon

Date: 27th May 2014

Place: New Delhi

Date: 27th May 2014

Place: New Delhi

Date: 27th May 2014

GLOBE CAPITAL MARKET LIMITED

Statement pursuant to section 212 of the Companies Act, 1956

Particulars	Globe Commodities Limited	Globe Fincap Limited	Globe Derivatives & Securities Limited	Globe Comex International DMCC, Dubai, U.A.E
Financial Year of the Subsidiary Company ended on	31 st March, 2014	31 st March, 2014	31 st March, 2014	31 st March, 2014
Extent of Interest in Subsidiary	100% in Equity Share Capital	100% in Equity Share Capital	100% in Equity Share Capital	100% Subsidiary of Globe Commodities Limited
Shares Held by the Holding Company in the Subsidiary Company	2670000 equity ₹ 10/- each	6678375 equity ₹ 10/- each	50000 equity ₹ 10/- each	1300 equity AED 1000 each
Net aggregate amount of the profits of the subsidiary company as far as it concerns the member of the Company				
a. dealt within the Company's Accounts				
i. for the financial year of the Subsidiary	NIL	NIL	NIL	NIL
ii. for the previous year of the the Subsidiary since it became the subsidiary of the Company.	NIL	NIL	NIL	NIL
b. not dealt within the Company's Accounts				
i. for the financial year of the Subsidiary	193,374,433	156,744,551	98,858,519	USD 568,121
ii. for the previous year of the the Subsidiary since it became the subsidiary of the Company.	808,199,235	216,456,825	90,831,388	USD 1,727,640
Statement of Changes under Section 212(5) of Companies Act, 1956 from:				
i. Fixed Assets, Capitalised Assets & WIP	NA	NA	NA	NA
ii. Investments	NA	NA	NA	NA
iii. Monies Borrowed Term Loan for its ongoing project from the Financial Institution/ Bank	NA	NA	NA	NA

For and on behalf of Board of Directors of
Globe Capital Market Limited**Yashpal Mendiratta**
Director**Ashok Kumar Agarwal**
Director**Pradeep Khandelwal**
Company SecretaryPlace: New Delhi
Date: 27th May 2014

GLOBE CAPITAL MARKET LIMITED

Details of subsidiary Companies Pursuant to section 212(8) of the Companies Act, 1956

Particulars	Globe Commodities Limited		Globe Fincap Limited		Globe Derivatives & Securities Limited		Globe Comex International DMCC, Dubai, U.A.E	
	In ₹	In ₹	In ₹	In ₹	In ₹	In ₹	In USD	In ₹
Share Capital	33,300,000	144,430,800	144,430,800	352,200	21,046,768			
Reserves & Surplus	1,510,273,668	1,782,595,404	1,782,595,404	2,295,761	137,190,086			
Total Assets*	2,703,199,123	3,228,090,838	3,228,090,838	3,334,876	199,285,520			
Total Liabilities**	1,159,625,455	1,301,064,634	1,301,064,634	686,915	41,048,666			
Investments:								
Current Investment	-	-	-	-	-			
Long Term Investment								
- Quoted	5,610	-	-	-	-			
- Unquoted	16,235,567	-	-	-	-			
Revenue	771,961,626	478,029,033	478,029,033	698,166	42,085,516			
Profit Before Taxation	289,597,345	295,966,447	295,966,447	568,121	34,246,391			
Provision for Taxation***	95,222,912	100,035,758	100,035,758	-	-			
Profit after Taxation	194,374,433	195,930,689	195,930,689	568,121	34,246,391			
Proposed Dividend	-	-	-	-	-			

Exchange Rate for Assets & Liabilities : 1 USD = ₹ 59,7580 as on 31st March 2014

Exchange Rate for Revenue, Profit & Loss : 1 USD = ₹ 60,2801 as on 31st March 2014

* Total Assets includes Net Fixed Assets, Investments, Deferred tax assets, Current assets, Loan & Advances, Miscellaneous expenditure and debit balance of Profit & Loss account if any

** Total liabilities includes Loans, Current Liabilities & Provisions and deferred tax Liabilities

*** Provisions for Taxation include deferred Tax

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

Yashpal Mendiratta
Director

Ashok Kumar Agarwal
Director

Pradeep Khandelwal
Company Secretary

Place: New Delhi
Date: 27th May 2014



Globe Capital Market Ltd.

CIN: L74100DL1985PLC021350

Registered Office: 609, Ansal Bhawan

16, Kasturba Gandhi Marg, Connaught Place, New Delhi – 110001

Tel.: 91-11-30412345 (30 Lines), Fax: 91-11-23720880, 23354979

E-mail: mail@globecapital.com, Website: www.globecapital.com