

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. Corporate Information and Significant Accounting Policies

A. Corporate Information

Globe Commercials Limited is engaged in Business of Buyer,seller, stockist,agent,brokers,commission agent etc.in Sanitary ware, cotton, jute and others commodities related to steel and cast iron types.

The Company is a Public Limited Company incorporated in India, under the provisions of the Companies Act, 1956, having its registered office at Mumbai, Maharashtra, India.

The financial statements for the year ended March 31, 2020 are approved for issue by the Company's Board of Directors on 29/07/2020.

B. Significant Accounting Policies

1.1 1.1 Basis of Preparation

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind ASs) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

These financial Statements are prepared on an accrual basis under the historical cost convention or amortised cost.

Since the income from financial assets does not constitute more than 50 percent of the gross total income, the financial statements are prepared on other than Non Banking Financial Company and other than Investment Company basis.

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency and all amounts are rounded off to the nearest lacs (INR '00,000) upto two decimals, except when otherwise indicated.

Classification of Assets and Liabilities into Current/Non-current:

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-current classification.

1.2 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby net profit / (loss) for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents include cash on hand, cash at banks, other short-term deposits and highly liquid investments with original maturity of three months or less that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

1.3 Revenue Recognition

1 Revenue is recognised to the extent that it is probable that the economic benefits of a transaction will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

2. Sale of Goods

Revenue from sale of goods is recognised upon transfer of significant risks and rewards of ownership of the goods to the buyer, which is on dispatch of goods to buyer.

3. Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

4. Dividends

Dividend income from investments is recognised when the Company's right to receive dividend is established, which is generally when shareholders approve the dividend.

1.4 Taxes on Income

Income tax expense represents the sum of the tax currently payable and deferred tax.

- i. Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.

ii. Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when deferred income tax assets and liabilities relate to the income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net or simultaneous basis.

1.5 Provisions, Contingent Liabilities and Contingent Assets

- i. Provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision is not recognised for future operating losses.
- ii. A Contingent liability is disclosed in case of a present obligation arising from past events, when it is either not probable that an outflow of resources will be required to settle the obligation, or a reliable estimate of the amount cannot be made. A Contingent Liability is also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.
- iii. Contingent assets are not recognised but where an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.
- iv. Provisions, Contingent liabilities and Contingent assets are reviewed at each reporting date and are adjusted to reflect the current best estimate.

1.6 Financial Instruments

- i. Financial assets and Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.
- ii. Classification of financial assets: The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows. The Company classifies its financial assets to be measured subsequently at amortised cost.
- iii. Measurement of financial assets: At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

Equity instruments: Equity investments in subsidiaries are measured at cost. Other equity investments are measured at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in Other Comprehensive Income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

- iv. Impairment of financial assets: The company assesses on a forward looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.
- v. Derecognition of financial assets: The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.
- vi. Classification and Subsequent Measurement: Financial liabilities: Financial liabilities are classified as either financial liabilities at FVTPL or Other Financial Liabilities.

Financial Liabilities at FVTPL: Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial Liabilities: Other financial liabilities (including borrowings, trade and other payables) are subsequently measured at amortised cost.

- vii. Derecognition of financial liabilities: The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

1.7 Earnings Per Share

The basic earnings per share is computed by dividing the net profit / (loss) attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the net profit / (loss) attributable to the equity shareholders for the year, as adjusted for the effects of potential dilution of equity shares, by the weighted average number of equity and dilutive equity equivalent shares outstanding during the reporting period.

1.8 Use of Estimates

The preparation of the financial statements requires the management to make judgements, estimates and assumptions in the application of accounting policies and that have the most significant effect on reported amounts of assets, liabilities, incomes and expenses and accompanying disclosures and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.9 First-time Adoption of Ind AS

Overall Principle

The Company has prepared the Opening Balance Sheet as per Ind AS as at April 1, 2016 (the date of transition) by recognising all assets and liabilities whose recognition is required by Ind ASs, not recognising items of assets or liabilities which are not permitted by Ind ASs, by reclassifying items from previous GAAP to Ind AS as required under Ind ASs and applying Ind ASs in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed or not so availed by the Company. Details of exemptions availed are as under:

- i. Business Combination: The Company has elected not to apply Ind AS 103 - Business Combinations retrospectively to past business combinations that occurred before the date of transition and therefore, has kept the same classification for the past business combinations as in its previous GAAP financial statements.
- ii. Investments: The Company has elected to carry its investment in subsidiary company at deemed cost, which is its previous GAAP carrying amount at the date of transition.
- iii. Borrowings: Considering the Objective of Ind AS 101, items of liabilities which are no longer outstanding as at March 31, 2017 and the high quality information relating to which cannot be generated at a cost lower than the benefits are disclosed at previous GAAP carrying amounts. Also refer Note 27(G)(1)(ii) & (iii).
- iv.

2. Property Plant and Equipment

Particulars	As at March 31, 2020	As at March 31, 2019
Name of the assets	Computer	Computer
Carrying Amount	14,730	25,000
Addition		
Sales		
Depreciation Charged for the Year	4,730	10,270
Closing Gross Carrying Amount	10,000	14,730

3. Loans: Non current

Particulars	As at March 31, 2020	As at March 31, 2019
Loans and advances		
Unsecured, considered good	6,07,73,755	6,13,61,975
Others	-	-
	6,07,73,755	6,13,61,975

4. Deferred Tax Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed Deposits with Bank with maturity greater than twelve months	-	-
Deferred tax assets	-	-
	-	-

5. Other Non - Current Assets

Particulars	As at March 31, 2020	As at March 31, 2019
a) Others (Specify Nature)	-	-
Misc. Expenditure written off	-	-
	-	-

6. Cash and Cash Equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Banks		
In Current Accounts	6,404.44	37,088
Cash in Hand	15,637.00	11,287
	22,041.44	48,375

7. Other Current Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Other Current assets (TDS receivable)	2,06,697	2,79,095
Interest Receivable	-	-
Short Term Advance	-	-
	2,06,697	2,79,095

8. Equity share capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	Numbers	Amount	Numbers	Amount
Authorised				
Equity Shares, of Rs.10 par value	59,50,000	5,95,00,000.00	59,50,000	5,95,00,000.00
		5,95,00,000.00		5,95,00,000.00
Issued				
Equity Shares, of Rs.10 par value	30,01,000	3,00,10,000.00	30,01,000	3,00,10,000.00
		3,00,10,000.00		3,00,10,000.00
Subscribed and Paid up				
Equity Shares, of Rs.10 par value	30,01,000	3,00,10,000.00	30,01,000	3,00,10,000.00
		3,00,10,000.00		3,00,10,000.00

8.1 Reconciliation of the number of shares outstanding and amount of share capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	Numbers	Amount	Numbers	Amount
Equity Shares				
Balance as at the beginning of the year	30,01,000	3,00,10,000.00	30,01,000	3,00,10,000.00
Issued during the year	-	-		
Balance as at the end of the year	30,01,000	3,00,10,000.00	30,01,000	3,00,10,000.00

8.2 Rights, Preferences and Restrictions

Equity Shares

- i. The Company has only one class of equity shares referred to as equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share.
- ii. The Company declares and pays dividend in Indian rupees. Final dividend, if any, proposed by the Board of Directors is recorded as a liability on the date of the approval of the shareholders in the ensuing Annual General Meeting; in case of interim dividend, it is recorded as a liability on the date of declaration by the Board of Directors of the Company.
- iii. In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. However, no such preferential amounts exist currently.

9. Other Equity

Particulars	As at March 31, 2020	As at March 31, 2019
Reserves and Surplus		
i. Securities Premium		
Balance as at the beginning of the year	-	-
Addition during the year	-	-
ii. Retained Earnings		
Balance as at the beginning of the year	3,09,78,278.14	3,05,94,018
Add/(Less) : Profit / (Loss) for the year	(2,45,785)	3,84,260.14
	3,07,32,493	3,09,78,278.14
Equity Component of Loan from Holding Company		
	3,07,32,493	3,09,78,278.14

The description of the nature and purpose of each reserve within equity is as follows :

ii. **Retained Earnings:** Retained Earnings represent profits that the Company has earned including adjustments on account of transition to Ind AS.

10. Borrowings: Non - current

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured Loan Considered Good	-	-
	-	-

11. Provision

Particulars	As at March 31, 2019	As at March 31, 2018
Others	7,15,897	3,95,000
	7,15,897	3,95,000

12. Other Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Others	-	-
	-	-

13. Revenue from Operations

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from Operations		
Sale of Products		
Traded Goods	-	-
	-	-
Details of Products Sold		
Sale of Traded Goods	-	-
	-	-

14. Other Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Dividends Income	-	-
Rent Income	-	-
Discount & Rebate	-	-
Interest Income	20,66,970.00	27,90,949
Commission Received	-	19,15,000
Other Income (Interest on I.T.Refund)	-	-
	20,66,970.00	47,05,949

15. Purchases of Stock-in-trade

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Purchases of Traded Goods		
Fabric Cloth Material	-	-
	-	-

16. Finance Cost

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Expenses	-	-
	-	-

17. Employee Benefit Expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salary Expenses	13,01,000	8,70,000
	13,01,000	8,70,000

18. Other Expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Bank Charges	59	6
BSE Ltd (Expenses)	3,54,000	2,87,250
Metropolitan Stock Exchange	1,00,000	47,200
CDSL AMC Charges	12,220	28,320
Conveyance Expenses	-	95,340
Commission charges	-	19,15,000
Office Expenses	380	1,18,170
Other Expenses	1,52,000	-
Printing & stationery	-	27,890
Professional Fees	20,000	1,20,400
Rent paid	1,20,000	1,50,000
Repairs & Maintenance	-	87,980
NSDL Maintenance Charges	11,800	-
RTA Expenses	1,50,118	-
Accounts Written Off	-	3,01,016
	9,20,577	31,78,572

19. Capital Management

The primary objective of Company's Capital Management is to maximise the shareholder's value without having any adverse impact on interests of other stakeholders. At the same time, the Company strives to maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company's Capital Management, debt includes both current and non-current borrowings and equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders of the Company.

The Company monitors capital using Debt to Equity ratio, which is total debt divided by total equity. Gross Debt to Equity ratio are as follows:

Particulars	As at March 31, 2020	As at 'March 31, 2019
Total Debt (A)	-	-
Total Equity (B)	6,07,42,493	6,09,88,278
Gross Debt Equity Ratio (A/B)	-	-

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Earnings Per Share		
	Number of Equity Shares of Rs. 10 each	30,01,000	30,01,000
A	Weighted average number of Equity Shares of Rs. 10 each	30,01,000	30,01,000
B	Net profit / (loss) for the year	(2,45,785.00)	3,84,260.00
	Net profit / (loss) available to equity shareholders	(2,45,785.00)	3,84,260.00
C	Basic and diluted earnings per share (in Rs.)	(0.08)	0.13

E. Statement of reconciliation of Total Comprehensive Income for the year ended March 31, 2020

Sr. No.	Nature of adjustments	Note	As at March 31, 2020	As at March 31, 2019
			Amount	Amount
i.	Net Profit/ (Loss) as per Indian GAAP		(2,45,785.00)	3,84,260.14
	Interest expense recognised on Non-current Financial Liabilities as per Effective Interest basis			
	Net Profit/ (Loss) as per Ind AS		(2,45,785.00)	3,84,260.14
	Other Comprehensive Income (net of tax)			
	Total Comprehensive Income		(2,45,785.00)	3,84,260.14

F. Statement of reconciliation of Total Equity reported under Indian GAAP and under Ind AS

Sr. No.	Nature of adjustments	As at March 31, 2020 Amount	As at April 1, 2019 Amount
i.	Total Equity as per Indian GAAP	6,07,42,493.00	6,09,88,278.14
	Fair Valuation of Financial Liabilities	-	-
	Total Equity as per Ind AS	6,07,42,493.00	6,09,88,278.14

G. Notes to the reconciliation of Balance Sheet and Total Equity as at March 31, 2019 & 2020 and Statement of Profit and Loss and Total Comprehensive Income for the year ended March 31, 2019 & 2020

1. Borrowings

Under IGAAP, the Company had accounted for interest-free loan received at the undiscounted amount whereas under Ind AS, such financial liabilities are recognised at fair value on initial recognition and thereafter at amortised cost.

2. Deffered Tax

IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax liability on temporary difference arising due to fair valuation of financial liabilities. However impact of same has been offset due to recognition of deferred tax asset on unused tax losses to the extent of deferred tax liability.

Statement of Changes in Equity for the year ended March 31, 2019 and 2020

A. Equity Share Capital

Balance as at April 1, 2019	Balance as at March 31, 2020	Changes in Equity Share Capital during the year 2019-20	Balance as at March 31, 2020	Balance as at March 31, 2020
3,00,10,000.00	3,00,10,000.00	-	3,00,10,000.00	30,01,000

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A. Other Equity

Particulars	Reserves and Surplus		Total
	Securities Premium	Retained Earnings	
Balance as at April 1, 2018	-	3,05,94,017	3,05,94,017
Profit for the year	-	3,84,260.14	3,84,260.14
Total Comprehensive Income for the year	-	3,84,260.14	3,84,260.14
Addition during the year	-	-	-
Balance as at March 31, 2019	-	3,09,78,277.00	3,09,78,277.00
Profit for the year	-	(2,45,785.00)	(2,45,785.00)
Total Comprehensive Income for the year	-	(2,45,785.00)	(2,45,785.00)
Balance as at March 31, 2020	-	3,07,32,492.00	3,07,32,492.00

As per my report of even date attached
FOR M/S ANIKET GOYAL & ASSOCIATES
CHARTERED ACCOUNTANTS

For and on Behalf of the Board of Directors

Sd/-
CA ANIKET GOYAL

(PROPRIETOR)

Membership No : 423707

Date: JULY 29, 2020

Place : MUMBAI
UDIN:20423707AAAAAH2632

Sd/-
PRASAD BAGWE

(MANAGING DIRECTOR)
DIN:07408988

Sd/-
Malikaarjuna Venkatraman
(DIRECTOR)
DIN:08693383

 **Value Research**
SD/-
MAHESH JADHAV
(CFO)

SD/-
RANJAN PATEL
(COMPANY SECRETARY)

Statement of Cash Flows for the year ended March 31, 2020		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Amount	Amount
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before tax paid and extra ordinary items	(1,59,337)	6,47,107.14
Less : Extra-ordinary items	-	-
	(1,59,337)	6,47,107.14
Adjusted for :		
Income Tax Paid/Provided	(86,448)	(2,62,847.00)
Depreciation & Preliminary exp	4,730	
Operating Profit/(Loss)before Working Capital Changes	(2,41,055)	3,94,530.00
Adjusted for :		
Trade Payable	-	-
Other Current Liabilities	-	-
Inventory	-	-
Short Term Loans & Advances	-	-
Trade Receivable		
Short Term Provision	(4,45,897)	3,20,897.00
Other Current Assets	72,398	(1,80,095.00)
Deferred tax		
NET CASH FROM OPERATING ACTIVITIES	(A)	5,35,332.00
CASH FLOW FROM INVESTING ACTIVITIES		
Other Non-Current Assets		
Long term Loans Given	5,88,220	(5,57,975.00)
Fixed Assets		
NET CASH FROM INVESTING ACTIVITIES	(B)	(5,57,975.00)
CASH FLOW FROM FINANCING ACTIVITIES		
Loans Taken		
NET CASH FROM FINANCING ACTIVITIES	(C)	-
NET INCREASE IN CASH & CASH EQUIVALENT	(A+B+C)	(22,643.00)
OPENING BALANCE OF CASH & CASH EQUIVALENT	48,375.00	71,017.00
CLOSING BALANCE OF CASH & CASH EQUIVALENT	22,041.00	48,375.00

Notes:

- i. Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- ii. **Disclosure pursuant to Ind AS 7 on "Statement of Cash Flows"**
The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities and financial assets arising from financial activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities and financial assets arising from financing activities, to meet the disclosure requirement. This amendment has become effective from April 1, 2017. The adoption of the amendment did not have any material impact on the financial statements.

For the year ended March 31, 2020	Opening Balance	Cash Flows	Non-cash Changes	Closing Balance
Short-term Borrowings	-	-	-	-
Long-term Borrowings	-	-	-	-

- iii. Figures in bracket indicate Cash Outflow.

As per my report of even date attached
FOR M/S ANIKET GOYAL & ASSOCIATES
CHARTERED ACCOUNTANTS

For and on Behalf of the Board of Directors

Sd/-
CA ANIKET GOYAL
(PROPRIETOR)



Sd/-
PRASAD BAGWE
(MANAGING DIRECTOR)
DIN:07408988

Sd/-
Malikaarjuna
Venkatraman
(DIRECTOR)
DIN:08693383

Membership No : 423707

Date: JULY 29, 2020

Place : MUMBAI
UDIN:20423707AAAAAH2632

SD/-
MAHESH JADHAV
(CFO)

SD/-
RANJAN PATEL
(COMPANY
SECRETARY)