



# **GCM**

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## **SECURITIES LIMITED**

**19<sup>TH</sup> ANNUAL REPORT  
2013-2014**







# GCM SECURITIES LIMITED

## BOARD OF DIRECTORS

Inder Chand Baid	–	Chairman
Manish Baid	–	Managing Director
Samir Baid	–	Non-Executive Director
Alok Kumar Das	–	Independent Director
Amitabh Shukla	–	Independent Director
Ashok Bothra	–	Independent Director

## COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Pooja Bhartia

## AUDITORS

M/s. Bharat D. Sarawgee & Co.  
Chartered Accountants  
Kolkata

## 19<sup>TH</sup> ANNUAL REPORT 2013 - 2014

## PRINCIPLE BANKERS

ICICI Bank Limited  
HDFC Limited  
Kotak Mahindra Bank Limited

## REGISTERED OFFICE

3B, Lal Bazar Street, Sir R N M House  
5th Floor, Kolkata 700001, West Bengal  
Tel. No. 033-22481053 / 22489908  
Email : [gcmsecu.kolkata@gmail.com](mailto:gcmsecu.kolkata@gmail.com)  
CIN: L67120WB1995PLC071337

## REGISTRAR & SHARE TRANSFER AGENT

Purva Sharegistry (India) Pvt. Ltd.  
No. 9, Shiv Shakti Ind. Estate  
Gr. Floor, J. R. Boricha Marg  
Lower Parel, Mumbai-400 011

## ANNUAL GENERAL MEETING

Date : 19<sup>th</sup> September, 2014  
Time : 11.30 A.M.  
Venue : 3B, Lal Bazar Street, Sir R N M House  
5th Floor, Kolkata 700001, West Bengal

## C O N T E N T S

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- ☞ Notes on Financial Statements

**Members are requested to bring their copy of Annual Report at the time of Meeting**



## NOTICE

Notice is hereby given that the 19<sup>th</sup> Annual General Meeting of the members of **GCM SECURITIES LIMITED** will be held on Friday, 19<sup>th</sup> September, 2014 at 11.30 A.M. at 3B, Lal Bazar Street, Sir R N M House, 5th Floor, Kolkata 700001, West Bengal to transact following business as:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2014, Statement of Profit and Loss for the year ended March 31, 2014 and the Reports of Directors and Auditors thereon.
2. To appoint Director in place of Mr. Samir Baid (DIN : 00243521), who retires by rotation and being eligible offers himself for re-appointment
3. To consider and thought fit, to pass, with or without modification(s), the following Resolution, as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. Bharat D. Sarawgee & Co., Chartered Accountants, Kolkata (FRN 326264E), be and are hereby appointed as the Statutory Auditors of the Company for a term of five years, to hold office from the conclusion of the 19<sup>th</sup> Annual General Meeting up to the conclusion of the 24<sup>th</sup> consecutive Annual General Meeting (subject to ratification by the members at every subsequent AGM) on such terms and remuneration as may be decided by the Board of Directors of the Company.”

### SPECIAL BUSINESS:

#### 4. Appointment of Mr. Alok Kumar Das as an Independent Director of the Company

To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV to the Act as amended from time to time, Mr. Alok Kumar Das (DIN: 00243572), Director of the Company and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of 5 (five) consecutive years up to the conclusion of the 24<sup>th</sup> AGM of the Company, not liable to retire by rotation.”

#### 5. Appointment of Mr. Amitabh Shukla as an Independent Director of the Company

To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in



force), read with Schedule IV to the Act as amended from time to time, Mr. Amitabh Shukla (DIN: 00978503), Director of the Company and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of 5 (five) consecutive years up to the conclusion of the 24<sup>th</sup> AGM of the Company, not liable to retire by rotation.”

#### 6. Appointment of Mr. Ashok Bothra as an Independent Director of the Company

To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV to the Act as amended from time to time, Mr. Ashok Bothra (DIN: 01734863), Director of the Company and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of 5 (five) consecutive years up to the conclusion of the 24<sup>th</sup> AGM of the Company, not liable to retire by rotation.”

#### 7. Sub-division in Face Value of Equity Shares of the Company

To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :

“**RESOLVED THAT** pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), and in accordance with the Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions, if any required from any authority and subject to such conditions as may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall also include any Committee thereof), consent of Members be and is hereby accorded to sub-divide each Equity Shares of the Company having face value of ₹ 10/- (₹ Ten) into 10 Equity Shares of face value of ₹ 1/- (₹ One) each fully paid-up and consequently, the Authorized Share Capital of the Company of ₹ 20,00,00,000 (₹ Twenty Crore) would comprise of 20,00,00,000 Equity Shares of face value of ₹ 1/- (₹ One) each with effect from the “Record Date” to be determined by the Board for this purpose.”

“**RESOLVED FURTHER THAT** pursuant to the sub-division of Equity Shares of the Company, each Equity Share of the face value of ₹ 10/- (₹ Ten) as existing on Record Date shall stand sub-divided into 10 (Ten) Equity Shares of face value of ₹ 1/- (₹ One) each fully paid-up, with effect from the Record Date.”

“**RESOLVED FURTHER THAT** on sub-division, the 10 (Ten) Equity Shares of face value of ₹ 1/- (₹ One) each be issued in lieu of one Equity Shares of the face value of ₹ 10/- (₹ Ten) each, subject to the terms of Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects with and carry the same rights as the existing fully paid-up Equity Shares of ₹ 10/- (₹ Ten) each of the Company and shall be entitled to Dividend(s) to be declared after the sub-division in face value of Equity Shares.”



**“RESOLVED FURTHER THAT** upon Sub-division of Equity Shares of the Company as aforesaid, the existing Share Certificate(s) in relation to the existing Equity Shares of the face value of ₹ 10/- (₹ Ten) each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date and that no letter of allotment shall be issued to the allottees of the new Equity Shares of face value of ₹ 1/- (₹ One) each on the Sub-division and the Company may, without requiring the surrender of existing Share Certificate(s), directly issue and dispatch the new share certificate(s) of the Company, in lieu of such existing share certificate(s), within the period prescribed or that may be prescribed in this regard, from time to time and in the case of Shares held in dematerialized form, the number of sub-divided Equity Shares be credited to the respective beneficiary accounts of the Shareholders with the Depository Participants, in lieu of the existing credits representing the Equity Shares before sub-division.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to fix a Record Date and to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, things and matters, and to give, from time to time, such directions as may be necessary, proper and expedient or incidental for the purpose of giving effect of this resolution.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of its powers to any of Committee thereof as it may deem appropriate in this regard.”

## **8. Alteration in Capital Clause of Memorandum & Articles of Association**

To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :

**“RESOLVED THAT** pursuant to the provisions contained in Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the approvals, consents, permission and sanctioned as may be necessary from the appropriate authorities or bodies, the existing Clause V of the Memorandum of Association of the Company be and here by substituted as follows:

“The Authorized Share Capital of the Company is ₹ 20,00,00,000/- (₹ Twenty Crore) Only divided into 20,00,00,000 (Twenty Crore) Equity shares of ₹ 1/- (₹ One) each with power to increase and reduce the Capital, to divide the share in the Capital for the time being into several classes and respectively such preferential, or Special rights thereto attach privileges and conditions as may determined by or in accordance with the regulations of the Companies Act, 2013 and to vary, modify or abrogate such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.”

**“RESOLVED FURTHER THAT** the Board or a Committee thereof be and is hereby authorized to do all such acts, deeds, things and matters as may be considered necessary, desirable and expedient for giving effect to this resolution and/or otherwise considered by them in the best interest of the Company.”

**Notes :**

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**  
  
**A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY(50) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
3. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
4. The Register of Member and the Share Transfer Books of the Company will remain closed from September 12, 2014 to September 19, 2014 (both days inclusive).
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.
6. A detail of Director seeking re-appointment in this Annual General Meeting is attached separately to the notice.
7. Shareholders/Investors are advised to send their queries/complaints through the dedicated e-mail Id **gcmsecu.kolkata@gmail.com** for quick and prompt redressal of their grievances.
8. The Shares of the Company are mandated by the Securities & Exchange Board of India (SEBI) for trading in dematerialized form by all investors.
9. The identity/signature of Members holding shares in electronic/demat form is liable for verification with the specimen signatures furnished by NSDL/CDSL. Such Members are advised to bring the relevant identity card issued by the appropriate Authorities to the Annual General Meeting.
10. Members desirous of getting any information about the accounts of the Company, are requested to send their queries so as to reach at-least ten days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.
11. Members are requested to intimate change in their address immediately to M/s Purva Sharegistry (India) Pvt. Ltd., the Company's Registrar and Share Transfer Agents, at their office at 9, Shiv Shakti Ind. Estate, Ground Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011.
12. Members holding shares in physical form in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant Share Certificates to M/s Purva Sharegistry (India) Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above.



13. Pursuant to SEBI Circular, the Shareholders holding shares in physical form are requested to submit self attested copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.
14. Members, who are wishing to avail of the nomination facility, are requested to send the duly filled in nomination in the prescribed form to M/s Purva Shareregistry (India) Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above or to the Compliance Officer at the Registered Office of the Company.
15. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participants to enable us to send you're the quarterly reports and other communication via email.
16. Copies of Annual Report 2014 along with the Notice for the 19<sup>th</sup> AGM and instructions for e-voting, with Attendance Slip and Proxy Form are being sent by electronic mode only to those members whose email address are registered with the Company /Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the Annual Report. The Members who have not registered their email address, physical copies of aforesaid documents are being sent by the permitted mode. Members are requested to bring copies of Annual Report to the Annual General Meeting.
17. Members can opt for one mode of voting i.e. either by physical ballot or through e-voting. If Members opt for e-voting then do not vote by Physical Ballot or vice versa. However, in case Members cast their vote both by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.
18. In terms of the provisions of Section 107 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through e-voting or physical Ballot, the said resolutions will not be decided on a show of hands at the AGM. **The voting right of all shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date i.e. August 22, 2014.**
19. In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Ballot Form is attached. Members desiring to exercise vote by Ballot are requested to carefully read the instructions printed in the form, to complete the Ballot Form with assent (for) or dissent (against) and send it to Mr. Pawan Gattani, Scrutinizer, C/o Purva Shareregistry (India) Private Limited, Unit: GCM Securities Limited, No. 9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Boricha Marg, Opposite Kasturba Hospital, Lower Parel, Mumbai-400 011, Tel. No: +91 22-2301 8261, Fax No : +91 22- 2301 2517, E-mail : purvashr@mtnl.net.in so as to reach him on or before Friday, September 12, 2014 by 5.30 p.m. Any Ballot Form received after the said date shall be treated as if the reply from the Members has not been received.
20. In light of the recent judgment of the Bombay High Court, until clarity is available members who have not voted electronically or through ballot, will be permitted to deposit the filled in Ballot Forms, physically at the AGM to enable them to exercise their vote.
21. (i) Members can request for a Ballot Form at Purva Shareregistry (India) Private Limited, Unit: GCM Securities Limited, No. 9, Shiv Shakti Industrial Estate, Ground Floor, J. R.





Boricha Marg, Opposite Kasturba Hospital, Lower Parel, Mumbai-400 011 or they may also address their request through e-mail to: purvashr@mtnl.net.in. Contact no +91 22 2301 8261.

- (ii) In case of voting by physical ballot, the institutional members (i. e. other than individuals, HUF, NRI, etc.) are required to send a copy of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer along with the Ballot Form so as to reach the Scrutinizer on or before 5.30 p.m. on Friday, September 12, 2014
  - (iii) The Scrutinizer will scrutinize the voting process (both e-voting and voting by physical ballot) in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company. The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be available on the Company's website within two (2) days of passing of the resolution at the AGM of the Company and communicated to the stock exchange.
22. The shareholders can also access the Annual Report 2013-14 of the Company circulated to the Members of the Company and other information about the Company on Company's website, i.e., [www.gcmsecuritiesltd.com](http://www.gcmsecuritiesltd.com) or on Stock Exchange websites, which are [www.bseindia.com](http://www.bseindia.com).
  23. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
  24. The Equity shares of the Company are listed on SME Segment of BSE and Listing Fees for the financial year 2014-2015 have been paid to BSE Ltd.
  25. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to the members facility to exercise their votes at the 19<sup>th</sup> AGM by electronic means and the business may be transacted through e-voting as per details below:-
    - a) Date and time of commencement of voting through electronic means: **Wednesday, September 10, 2014 at 9.30 a. m.**
    - b) Date and time of end of voting through electronic means beyond which voting will not be allowed : **Friday, September 12, 2014 at 5.30 p. m.**
    - c) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **August 22 2014**, may cast their vote electronically irrespective of mode of receipt of notice by the shareholder. **The e-voting module shall be disabled by CDSL for voting thereafter.**
    - d) Details of Website: [www.evotingindia.com](http://www.evotingindia.com)
    - e) Details of Scrutinizer: CA Pawan Gattani, Practising Chartered Accountant (Membership No. 144734), 10-11, Third Floor, Esplanade Building, 3, A.K. Naik Marg (Bestian Road), Next to New Empire Cinema, Fort, Mumbai- 400 001. E-mail: [pawan@maheshwariandco.in](mailto:pawan@maheshwariandco.in)



- f) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change/ modify the vote subsequently.

**26. The instructions for Members for e-voting are as under:**

Applicable in all cases whether NOTICE is received by e-mail or in physical form:

- i Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
- ii Click on “Shareholders” tab
- iii Now, select the GCM SECURITIES LIMITED from the drop down menu and click on “SUBMIT”
- iv Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v Next enter the Image Verification as displayed and Click on Login.
- vi If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- vii If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.

- viii After entering these details appropriately, click on “SUBMIT” tab.
- ix Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi Click on the EVSN for GCM SECURITIES LIMITED on which you choose to vote.



- xii On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).**

Place: Kolkata  
Date: May 28, 2014

By order of the Board  
For **GCM SECURITIES LIMITED**

**Registered Office :**

3B, Lal Bazar Street, Sir R N M House  
5th Floor, Kolkata 700001, West Bengal  
CIN: L67120WB1995PLC071337

**INDER CHAND BAID**  
**(DIN : 00235263)**  
**Chairman**



## Explanatory Statement pursuant to Section 102(1) of the Companies Act 2013

### Item No. 4, 5 and 6

Pursuant to the provisions of section 149 of the Companies Act, 2013 ('the Act'), the Board of Directors of the Company should have at least one-third of the total number of Directors as Independent Directors. The tenure of the Independent Directors will be for a period of five years and the provisions relating to retirement of Directors by rotation shall not be applicable to Independent Directors.

Pursuant to Clause 52 of the SME Listing Agreement, if the Chairman of the Company is a Non-Executive Director, at least one-third of the Board shall comprise of Independent Directors.

The Board recommends the appointment of Mr. Alok Kumar Das, Mr. Amitabh Shukla and Mr. Ashok Bothra, as Independent Directors, in accordance with the provisions of section 149 read with Schedule IV to the Act, to hold office for a term up to five consecutive years on the Board of Directors of the Company with effect from the date of the Annual General Meeting.

The Company has received Notices in writing from Members along with the requisite deposit in accordance with section 160 of the Act, proposing the candidature of Mr. Alok Kumar Das, Mr. Amitabh Shukla and Mr. Ashok Bothra respectively, as Independent Directors.

The Company has also received the declarations from the abovementioned Independent Directors to the effect that they meet with the criteria of independence as prescribed both under sub-section (6) of section 149 of the Act and Clause 52 of the SME Listing Agreement.

Accordingly, it is proposed to appoint Mr. Alok Kumar Das, Mr. Amitabh Shukla and Mr. Ashok Bothra as Independent Directors of the Company in accordance with Section 149 of the Companies Act, 2013, not liable to retire by rotation and to hold office as under:

NAME	NO. OF YEARS	TERM
Mr. Alok Kumar Das	5 Years	Up to the conclusion of 24th Annual General Meeting
Mr. Amitabh Shukla	5 Years	Up to the conclusion of 24th Annual General Meeting
Mr. Ashok Bothra	5 Years	Up to the conclusion of 24th Annual General Meeting

In the opinion of the Board, Mr. Alok Kumar Das, Mr. Amitabh Shukla and Mr. Ashok Bothra fulfill the conditions for their appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement and are independent of the management.

Mr. Alok Kumar Das, Mr. Amitabh Shukla and Mr. Ashok Bothra are interested in the resolutions set out respectively at Item Nos. 4, 5 and 6 of the Notice with regard to their respective appointment.

The relatives of Mr. Alok Kumar Das, Mr. Amitabh Shukla and Mr. Ashok Bothra may be deemed to be interested in the resolutions set out respectively at Item Nos. 4, 5 and 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the resolutions set forth in the Item Nos. 4, 5 and 6 of the Notice for approval of the members.



### Item No. 7 & 8

The Equity Shares of the Company are listed on SME Segment of BSE Ltd. (BSE). With a view to broad base the investor base by encouraging the participation of the small investors and also to increase the liquidity of Equity Shares of the Company, the Board of Directors at its meeting held on 28<sup>th</sup> May 2014, have approved the sub-division of each Equity Share of face value of ₹ 10/- each of the Company into 10 Equity Shares of face value of ₹ 1/- each, subject to the approval of Members. The Company is seeking approval of Members in forthcoming Annual General Meeting for sub-division of each of the existing Equity Shares of the Company.

Accordingly, each issued Equity Share of nominal value of ₹ 10/- (₹ Ten) of the Company existing on the Record Date shall stand sub-divide into 10 (Ten) Equity Shares of nominal value of ₹ 1/- (₹ One) each.

The Record Date for the aforesaid sub-division of the Equity Shares will be fixed by the Board of Directors of the Company of committee thereof after the approval of the Members of the Company is obtained, pursuant to passing the resolution in Annual General Meeting.

At present, the Authorized Share Capital of the Company is ₹ 20,00,00,000/- (₹ Twenty Crore) only and the nominal face value of the equity shares of the Company is ₹ 10/- per Equity Share. Equity Shares of the Company are listed on Bombay Stock Exchange Ltd. (BSE).

The Resolutions for altering the Capital Clauses in the Memorandum and Articles of Association of the Company as set out at Item No. 7 of the Notice is to reflect the corresponding changes in the Capital Clauses of the Memorandum & Articles of Association of the Company, Consequent to splitting of the existing one Equity Share ₹ 10/-each into ten Equity Shares ₹ 1/- each pursuant to the sub-division as proposed therein.

The Board is of the opinion that the aforesaid sub-division of the nominal value of Equity Shares is in the best interest of the members and hence recommends passing of the resolutions at items Nos. 7 & 8.

The Directors of the Company, the Chief Financial Officer, the Company Secretary, being the key managerial person of the Company and their relatives, may be deemed to be interested in this Resolution to the extent of their respective shareholding, if any, in the Company in the same proportion as that of every other member of the Company who holds Equity Shares, if any.

### Details of Director seeking re-appointment in the 19<sup>th</sup> Annual General Meeting on 19<sup>th</sup> September, 2014 (in term of Clause 52 of SME Listing Agreement)

SAMIR BAID	
Fathers' Name	Inder Chand Baid
Age	36 Years
Date of Appointment	19th July, 1999
Expertise in specific functional areas	Financial & Income Tax related activities as well as expertise in Capital Market related activities.
Years of Experience	9 Years
Qualifications	B.Com
List of outside Directorship held in other Public Limited Companies	1. GCM Commodity & Derivatives Limited 2. GCM Capital Advisors Limited 3. Silver Pearl Hospitality & Luxury Spaces Limited 4. Chello Commotrade Limited



Member of Committee on the Board Member/Chairman of Committee in other Companies No. of Shares held in own name or in the name of Relatives	Nil ❖ GCM Capital Advisors Limited - Member of Audit Committee 1,347,500 Equity Shares or 7.094% of Paid –up Capital in own name and 3,632,200 Equity Shares or 19.121% of Paid–up capital in the name of relatives
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**ALOK KUMAR DAS**

Fathers' Name Age Date of Appointment Expertise in specific functional areas Years of Experience Qualifications List of outside Directorship held Public Limited Companies  Member/Chairman of Committee on the Board Member/Chairman of Committee in other Companies  No. of Shares held in own name or in the name of Relatives	Late Subinoy Das 49 Years 25th October, 2012 Corporate Finance, Taxation, Company Laws 27 Years B. Com., FCA 1. GCM Commodity & Derivatives Limited 2. Global Capital Market & Infrastructures Limited 3. GCM Capital Advisors Limited 4. Silver Pearl Hospitality & Luxury Spaces Limited ■ Chairman – Audit Committee ■ Member- Investor Grievance Committee ❖ Global Capital Markets & Infrastructures Limited ■ Chairman – Audit Committee ■ Member – Investor Grievance Committee ❖ GCM Commodity & Derivatives Limited ■ Chairman –Investor Grievance Committee ■ Member- Audit Committee ❖ GCM Capital Advisors Limited ■ Chairman- Audit and Investor Grievance Committee  Nil
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**AMITABH SHUKLA**

Fathers' Name Age Date of Appointment Expertise in specific functional areas  Years of Experience Qualifications List of outside Directorship held in Public Limited Companies Member of Committee on the Board  Member/Chairman of Committee in other Companies  No. of Shares held in own name or in the name of Relatives	Late Rajendra Prasad Shukla 52 Years 25th October, 2012 Corporate Law, Finance, Corporate Taxation, Company Laws, SEBI, ROC and other Legal areas 30 Years LLM (Advocate) 1. Global Capital Market & Infrastructures Limited 2. GCM Commodity & Derivatives Limited Member of Audit Committee and Chairman of Investor Grievance Committee ❖ GCM Commodity & Derivatives Limited Member – Investor Grievance Committee ❖ Global Capital Market & Infrastructures Limited Member- Audit Committee Chairman- Investor Grievance Committee  Nil
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**ASHOK BOTHRA**

Fathers' Name	K. N. Bothra
Date of Birth	8th August 1965
Date of Appointment	22nd October 2010
Expertise in specific functional areas	In depth knowledge of Company Law, Accounts, Audit, Taxation & Capital Market related activities
Years of Experience	17 Years
Qualifications	B.Com.
List of outside Directorship held	<ol style="list-style-type: none"> <li>1. Anugraha Jewellers Limited</li> <li>2. Meenakshi Enterprises Limited</li> <li>3. Global Infratech &amp; Finance Limited</li> <li>4. JMD Telefilms Industries Limited</li> <li>5. Unisys Softwares &amp; Holding Industries Ltd.</li> <li>6. Dynamic Portfolio Management &amp; Services Ltd.</li> <li>7. GCM Securities Limited</li> </ol>
Member of Committee on the Board	None
Member/Chairman of Committee in other Companies	<ul style="list-style-type: none"> <li>❖ Anugraha Jewellers Limited <ul style="list-style-type: none"> <li>▪ Member - Audit Committee &amp; Investor Grievance Committee</li> </ul> </li> <li>❖ Meenakshi Enterprises Ltd. <ul style="list-style-type: none"> <li>▪ Member - Audit Committee &amp; Investor Grievance Committee</li> </ul> </li> <li>❖ Global Infratech &amp; Finance Ltd. <ul style="list-style-type: none"> <li>▪ Member - Audit Committee</li> <li>▪ Chairman – Investor Grievance Committee</li> </ul> </li> <li>❖ JMD Telefilms Industries Limited <ul style="list-style-type: none"> <li>▪ Member - Audit Committee</li> <li>▪ Chairman – Investor Grievance Committee</li> </ul> </li> <li>❖ Unisys Softwares &amp; Holding Industries Ltd. <ul style="list-style-type: none"> <li>▪ Member - Audit Committee</li> <li>▪ Chairman – Investor Grievance Committee</li> </ul> </li> <li>❖ Dynamic Portfolio Management &amp; Services Ltd. <ul style="list-style-type: none"> <li>▪ Member - Audit Committee</li> <li>▪ Chairman – Investor Grievance Committee</li> </ul> </li> </ul>
No. of Shares held in own name or in the name of Relatives	Nil

Place: Kolkata  
Date: May 28, 2014

By order of the Board  
For **GCM SECURITIES LIMITED**

**Registered Office :**

3B, Lal Bazar Street, Sir R N M House  
5th Floor, Kolkata 700001, West Bengal  
CIN: L67120WB1995PLC071337

**INDER CHAND BAID**  
(DIN : 00235263)  
Chairman



## DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in presenting the 19<sup>th</sup> Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2014.

(₹ in Lac)

<b>Financial Results</b>	<b>Year Ended 31.03.2014</b>	<b>Year Ended 31.03.2013</b>
Sales / Income from Operations	<b>1319.76</b>	599.90
Profit before Tax & extraordinary item	<b>10.75</b>	22.91
Less : Provision for Taxation (including Differed Tax)	<b>1.47</b>	5.22
Profit after Tax	<b>9.28</b>	17.69
Add : Profit brought forward from Previous Year	<b>46.35</b>	28.66
Balance carried forward	<b>55.63</b>	46.35

### OVERVIEW OF ECONOMY

The Financial Year 2013-14 remained extremely challenging for the entire year for the Indian Economy from the previous fiscal year and ended with positive expectations over the elections scenario. Overall sentiments weighed heavily on activity levels in the securities markets.

The overall macroeconomic context was dominated by slow growth, contraction in industrial production, high and persistent inflation, significant INR depreciation, high structural current account deficit, vulnerable external balances and poor fiscal management. Amidst several fundamental imbalances on the fiscal and financial side, the steep run up in benchmark indices marked a paradox.

The Company being a player in the financial market, the performance of the Company largely depends on the National and Global Capital Markets. The high volatility in the market along with higher inflation has intensified the competition.

The fragmented nature of the industry, coupled with increasing competition from large players in the retail and institutional broking side is likely to exert pressure on broking houses, hence the ability to maintain market share, margins and consequently, return ratios stands as a big question mark.

With the formation of a new Government, the hopes are indeed high that the Reforms agenda will be placed on a fast-track once again and the growth days will be visited again.

### OVERALL PERFORMANCE & OUTLOOK

The Company is a Corporate Member of the National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange (BSE) in the Capital Market Segment and Future & Option.

As a part of the overall risk management strategy, the Company consistently insures its assets and generally follows a conservative financial profile by following prudent business practices.

In spite of sluggishness in economy and lack of participation by HNIs and Retails Investors in





Capital Market, Sales / Gross Income from Operations stood at ₹ 1319.76 Lac in comparison to last years' figure of ₹ 599.90 Lac. In term of Net Profit, the same was of ₹ 9.28 Lac in comparison to last years' net Profit of ₹ 17.69 Lac.

The Company faces normal business challenges of market competition in its business and needs to continuously seek attractive growth opportunities. The Company adopts suitable business strategies to counter these challenges.

The Company follows all the rules and regulations of the respective exchange for depository / SEBI.

#### **DIVIDEND**

Due to inadequate profit during the year and in order to conserve resources for future, your Directors do not recommends any Dividend for the year under review.

#### **LISTING ON SME PLATFORM**

The Directors are pleased to inform you that the Company's Equity Shares have now been listed on the SME Platform of BSE Limited on April 5, 2013.

#### **SUBSIDIARY COMPANY**

The Company does not have any subsidiary.

#### **MANAGEMENT DISCUSSION & ANALYSIS**

As required by Clause 52 of SME of Listing Agreement, the Management Discussion and Analysis is annexed and forms part of the Directors' Report.

#### **MANAGEMENT**

There was no change in Management of the Company during the year under review.

#### **DIRECTORS**

There is no change in composition of Board during the Financial Year under review.

In accordance with the requirements of the Companies Act, 2013 and as per the provisions of Articles of Association of the Company, Mr. Samir Baid is liable to retire by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

The Board recommends the appointment of Mr. Samir Baid pursuant to the applicable provisions of the Act. The resolutions seeking your approval on this item along with the requisite disclosures/explanatory statement are included in the Notice for convening the Annual General Meeting.

Further, none of the Directors of the Company are disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

#### **INDEPENDENT DIRECTORS**

As per provisions of Section 149 of the 2013 Act, independent directors shall hold office for a term up to five consecutive years on the board of a company, but shall be eligible for re-appointment for another term up to five years on passing of a special resolution by the company and disclosure of such appointment in Board's Report. Further Section 152 of the Act provides that the independent directors shall not be liable to retire by rotation in the Annual General Meeting ('AGM') of the Company.

As per Revised Clause 52 of the Listing Agreement (applicable from October 1, 2014), any person



who has already served as independent director for five years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of the present term, for one more term of up to 5 (five) years only.

#### **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

1. In the preparation of the annual accounts, for the year ended 31st March 2014, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed;
2. The Directors had adopted such accounting policies and applied them consistently and made judgments and estimates that are 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 financial year and of the profit of the Company for that period;
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. The Directors had prepared the annual accounts on a going concern basis.

#### **STATUTORY INFORMATION**

The Company being basically into the broking business and is the member of BSE and NSE. Apart from broking business, the Company is also doing business in shares and securities. In view of current line of business, requirements regarding and disclosures of Particulars of conversation of energy and technology absorption prescribed by rule is not applicable to us.

#### **INFORMATION TECHNOLOGY**

Your Company believes that in addition to progressive thought, it is imperative to invest in information and technology to ascertain future exposure and prepare for challenges. In its endeavor to obtain and deliver the best, your Company has tie-ups with an IT solution Company to harness and tap the latest and the best of technology in the world and deploy/absorb technology wherever feasible, relevant and appropriate.

#### **RESEARCH & DEVELOPMENT**

The Company believes that technological obsolescence is a reality. Only progressive research and development will help us to measure up to future challenges and opportunities. We invest in and encourage continuous innovation. During the year under review, expenditure on research and development is not significant in relation to the nature size of operations of your Company.

#### **AUDITORS**

The Auditors M/s Bharat D. Sarawgee & Co., Chartered Accountants, Kolkata who are Statutory Auditors of the Company and holds the office until the conclusion of ensuing Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company from the conclusion of the 19<sup>th</sup> Annual General Meeting up to the conclusion of the 24<sup>th</sup> consecutive Annual General Meeting (subject to ratification by the members at every subsequent AGM). As required under the provisions of Section 139 & 142 of the Companies Act, 2013 the Company has obtained written confirmation from M/s. Bharat D. Sarawgee & Co. that their appointment, if made, would be in conformity with the limits specified in the said Section.

**COMMENTS ON AUDITOR'S REPORT :**

The notes referred to in the Auditor's Report are self explanatory and as such they do not call for any further explanation as required under section 217(3) of the Companies Act, 1956.

**PARTICULARS OF EMPLOYEES**

People are the backbone of our operations. It is a matter of great satisfaction for our Company that our employees have been very supportive of the Company's plan. By far the employee's relations have been cordial throughout the year.

The information as required by provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particular of employees) amendments rules, 1975 is reported to be NIL.

**PARTICULARS UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956**

The Company is into the business of broking activities in Securities Market, is also doing Investment activities in Shares & Securities and is parking its additional fund with Banks apart from requirement of payment to Stock Exchanges i.e. NSE & BSE, by way of Fixed Deposits, the information regarding conservation of energy, Technology Absorption, Adoption and innovation, the information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, is reported to be NIL.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company has not earned or used foreign exchange earnings/outgoings during the year under review.

**PUBLIC DEPOSITS**

During the year under review, your Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act 1956 and the rules there under.

**REPORT ON CORPORATE GOVERNANCE**

The Company conforms to the norms of Corporate Governance as envisaged in the Companies Act, 1956 and the Listing Agreement with the Bombay Stock Exchange Limited. Pursuant to Clause 52 of SME of the Listing

Agreement, a Report on the Corporate Governance and the Auditors Certificate on Corporate Governance are annexed to this report.

**APPRECIATION**

Your Directors wish to place on record their appreciation towards the contribution of all the employees of the Company and their gratitude to the Company's valued customers, bankers, vendors and members for their continued support and confidence in the Company.

Place: Kolkata  
Date: May 28, 2014

By order of the Board  
For **GCM SECURITIES LIMITED**

**Registered Office :**

3B, Lal Bazar Street, Sir R N M House  
5th Floor, Kolkata 700001, West Bengal  
CIN: L67120WB1995PLC071337

**INDER CHAND BAID**  
(DIN : 00235263)  
Chairman



## MANAGEMENT DISCUSSIONS & ANALYSIS

### MACRO ECONOMIC ENVIRONMENT

The Central Statistical Organisation (CSO) has estimated full year growth for FY2014 at 4.9%. Financial year 2013-14 was a difficult one for India's economy. Growth during 2012-13 (FY2013) was 4.5%.

The Indian economy has had to overcome varied challenges in its resolve to sustain its economic success. The major challenges included: unsupportive external environment, domestic structural constraints, growth slowdown and inflationary pressures. The slowdown manifested in the decline in the growth of Gross Domestic Product (at factor cost at constant 2004-05 prices) from 8.9 per cent in 2010-11 to 6.7 per cent in 2011-12 and 4.5 per cent in 2012-13. With the economy projected to have registered a growth rate of 4.9 per cent in 2013-14, the declining trend in growth seems to have reversed. The growth slowdown in India is broadly in sync with trends in similar emerging economies. The sharp downturn in growth owes to the interface of domestic factors with the global economic environment of uncertainties and slow growth in many advanced economies.

The policy response of the Government to the present growth slowdown has been in the form of structural reforms aimed at reducing entry-barriers and boosting competition and productivity in various sectors; fiscal consolidation and reforms in administered prices; further strengthening of financial/banking sectors; introduction of instruments to encourage financial savings of households; measures to restart the investment cycle through support to infrastructure financing and encouragement to micro, small and medium enterprises (MSMEs); steps to revive growth in manufacturing and reforms in energy pricing. These policies have gone hand-in-hand with macroeconomic stabilization that has had to balance the concerns of inflation and growth recovery, while managing a volatile external situation characterized by a sharp depreciation of the Rupee witnessed till the second quarter (Q2) of 2013-14.

The Indian broking industry is one of the oldest trading industries that have been around even before the establishment of the BSE in 1875.

The Stock Market has been revolutionized by adopting modern technology, as the exchanges are now able to reach out to the far flung centers of the country with an efficient trading network for the benefit of retail customers. The Capital Market is most efficient when it discounts all information in pricing of traded equity stocks. The maturity of the Stock Market has made it increasingly less risky through built-in information system made available to the participants over and above supervisory oversight. The ongoing efforts for further broadening and deepening of the Stock Market domestically and aligning the market with global trading system is not only expanding the customer base but also attracting more resources for investments.

Despite the high hopes of markets making a smart recovery & likely to progress well in a new regime, the hopes for Market intermediaries do not look quite so optimistic, at least for the near future. After reeling under heavy pressure situation for over three years now, the Broking Industry remains badly battered. Economic challenges inherited from FY2013 continued to exert pressure in FY2014. However, some macroeconomic stability was seen during end-FY2014. Expectations over the elections also brought a shift in sentiments. However, despite the climate of hope and optimism, significant actionable remain for the new government in order to realize higher and sustained economic growth.

### REVIEW OF OPERATIONS

Economic activity in India continued to be moderate during the Financial Year 2013-14. Global economic conditions also remained weak with slowdown in growth in developed and emerging



economies. The Company being into financial sectors is continued to reel under pressure and follows the overall risk management strategy by insuring its assets and following a conservative financial profile by following prudent business practices.

The Company is a Corporate Member of the National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange (BSE) in the Capital Market Segment and Future & Option.

In spite of sluggishness in economy and lack of participation by HNIs and Retails Investors in Capital Market, Sales / Gross Income from Operations stood at ₹ 1319.76 Lac in comparison to last years' figure of ₹ 599.89 Lac. In term of Net Profit, the same was of ₹ 9.28 Lac in comparison to last years' net Profit of ₹ 17.69 Lac.

The Company faces normal business challenges of market competition in its business and needs to continuously seek attractive growth opportunities. The Company adopts suitable business strategies to counter these challenges.

### **BUSINESS SEGMENT**

Your Company is a member of both leading Exchanges vides BSE and NSE providing platform for investors to carry trade on both BSE and NSE in both Capital and Future & Option Segment. Apart from broking activities, your Company is also investing in Shares and Securities and is parking its surplus fund with Banks in the mode of Fixed Deposits when its gets opportunities do so.

### **OPPORTUNITIES**

The Indian money market is "a market for short-term and Long term funds with maturity ranging from overnight to one year and includes financial instruments that are deemed to be close substitutes of money. It is diversified and has evolved through many stages, from the conventional platform of treasury bills and call money to commercial paper, certificates of deposit, repos, FRAs and IRS more recently.

The Indian money market consists of diverse sub-markets, each dealing in a particular type of short-term credit. The money market fulfills the borrowing and investment requirements of providers and users of short-term funds, and balances the demand for and supply of short-term funds by providing an equilibrium mechanism.

Despite the recent headwinds India has faced, its fundamentals remain solid. The economy is slowly regaining momentum, with both domestic and external conditions starting to improve. Favorable demographics and recent government reforms are expected to accelerate expansion over the medium term, making India the world's fifth-fastest growing economy by 2015. Recent reforms in support of growth include the raised FDI ceilings for the retail, airline, telecoms, financial and defense sectors. To support future growth, the Government should focus on infrastructure investment and increased efficiency in delivery mechanisms. The monetary policy might remain tight in the near future, triggered by the US Federal Reserve's remarks in May about potentially scaling back its quantitative easing program. Consequently, to support the rupee, the Central Bank has announced a window in which foreign currency non-resident US dollar fund swaps will be allowed, enabling banks to convert US dollar deposits by Indians abroad. India saw tepid GDP growth in 2012, as it grappled with a challenging investment climate. Recently, the economy has been hampered by high fiscal deficit and low investment growth. The Government aims to bring down the fiscal deficit from 4.9% in 2012–13, to 3% by 2016–17.

In 2013, equity markets remained tame due to slowing economy, bonds lost value as interest rates rose and physical assets such as real estate and gold also started feeling the effect of economic slowdown.

**THREATS & CONCERNS**

Many developing countries including India have reaped handsome rewards from surging capital inflows in recent years. This is widely regarded as a very welcome phenomenon, raising levels of investment and encouraging economic growth. But surging capital inflows can also be something of a double-edged sword, inflicting rather less welcome and destabilizing side effects, including a tendency for the local currency to gain in value, undermining the competitiveness of export industries, and potentially giving rise to inflation. Capital inflows result in a buildup of foreign exchange reserves. As these reserves are used to buy domestic currency, the domestic monetary base expands without a corresponding increase in production: too much money begins to chase too few goods and services.

To ease the threat of currency appreciation or inflation, central banks often attempt what is known as the “sterilization” of capital flows. In a successful sterilization operation, the domestic component of the monetary base (bank reserves plus currency) is reduced to offset the reserve inflow, at least temporarily. In theory, this can be achieved in several ways, such as by encouraging private investment overseas, or allowing foreigners to borrow from the local market. The classical form of sterilization, however, has been through the use of open market operations, that is, selling Treasury bills and other instruments to reduce the domestic component of the monetary base. The problem is that, in practice, such sterilization can be difficult to execute and sometimes even self-defeating, as an apparently successful operation may raise domestic interest rates and stimulate even greater capital inflows. Unfortunately, many developing countries also lack the tools available to run a classical sterilization policy, or find it simply too costly to do so. This is often the case wherever the financial system is not fully liberalized.

**RISK MANAGEMENT**

The Company has aligned its policy on risk assessment in line with global approach and risk assessment reports are reviewed on regular intervals. The Company has adopted a focused approach towards risk management.

The Company’s business critical software is operated on a server with regular maintenance and back-up of data and is connected to computer server operated by the Company. The system’s parallel architecture overcomes failures and breakdowns. Reliable and permanently updated tools guard against virus attacks. Updated tools are regularly loaded to ensure a virus free environment.

**INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The Company has implemented a comprehensive system of internal controls and risk management systems for achieving operational efficiency, optimal utilisation of resources, credible financial reporting and compliance with local laws. These controls are regularly reviewed by both internal and external agencies for its efficiency and effectiveness. Management information and reporting system for key operational activities form part of overall control mechanism.

The Company has retained the services of independent firms of professionals to function as internal auditors and provide reports on various activities covering observations on adequacy of internal controls and their recommendations. Findings of internal audit reports and effectiveness of internal control measures are reviewed by top management and audit committee of the Board. During the year, internal audit team of Company performed audits of major operational areas of the Company and carried out elaborate checks and verification and shared their findings with top management for remediation of minor gaps wherever required.

**HUMAN RESOURCES**

The Company recognizes that its success is deeply embedded in the success of its human capital. During 2013-2014, the Company continued to strengthen its HR processes in line with its objective of creating an inspired workforce. The employee engagement initiatives included placing greater



emphasis on learning and development, launching leadership development programme, introducing internal communication, providing opportunities to staff to seek inspirational roles through internal job postings, streamlining the Performance Management System, making the compensation structure more competitive and streamlining the performance-link rewards and incentives.

The Company believes that learning is an ongoing process. Towards this end, the Company has built a training infrastructure which seeks to upgrade skill levels across grades and functions through a combination of in-house and external programme.

#### **CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY**

The Company constantly strives to meet and exceed expectations in terms of the quality of its business and services. The Company commits itself to ethical and sustainable operation and development of all business activities according to responsible care and its own code of conduct. Corporate Social Responsibility is an integral part of the Company's philosophy and participates in activities in the area of education and health.

#### **CAUTIONARY STATEMENT**

Certain statements under "Management Discussion & Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statement within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

#### **COMPLIANCE**

The Compliance function of the Company is responsible for independently ensuring that operating and business units comply with regulatory and internal guidelines. The Compliance Department of the Company is continued to play a pivotal role in ensuring implementation of compliance functions in accordance with the directives issued by regulators, the Company's Board of Directors and the Company's Compliance Policy. The Audit Committee of the Board reviews the performance of the Compliance Department and the status of compliance with regulatory/internal guidelines on a periodic basis.

New Instructions/Guidelines issued by the regulatory authorities were disseminated across the Company to ensure that the business and functional units operate within the boundaries set by regulators and that compliance risks are suitably monitored and mitigated in course of their activities and processes. New products and process launched during the year were subjected to scrutiny from the Compliance Standpoint and proposals of financial services were screened from risk control prospective.

The Company has complied with all requirements of regulatory authorities. No penalties/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

Place: Kolkata  
Date: May 28, 2014

By order of the Board  
For **GCM SECURITIES LIMITED**

**Registered Office :**  
3B, Lal Bazar Street, Sir R N M House  
5th Floor, Kolkata 700001, West Bengal  
CIN: L67120WB1995PLC071337

**INDER CHAND BAID**  
(DIN : 00235263)  
Chairman



## ANNEXURE TO THE DIRECTORS' REPORT

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance for the Company means achieving high level of accountability, efficiency, responsibility and fairness in all areas of operation. Our Employees are committed towards the protection of the interest of the Stakeholders viz. Shareholders, creditors, investors, clients etc. Our policies consistently undergo improvements keeping in mind our goal i.e. maximization of value of all the stakeholders.

#### The goal is achieved through –

- ✓ Infusion of best expertise in the Board;
- ✓ Consistent monitoring and improvement of the human and physical resources;
- ✓ Board/Committee meetings at regular intervals to keep the Board informed of the recent happenings.

### GOVERNANCE STRUCTURE

The Corporate Governance Structure at GCM Securities Ltd. is as under :-

1. **Board of Directors:** The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosure.
2. **Committees of the Board :** The Board has constituted the following committees viz. Audit Committee, Investors' Grievance and Share Transfer Committee, Remuneration Committee. Each of said Committee has been managed to operate within a given framework.

### BOARD OF DIRECTORS

#### Composition of Directors

The Board has six members with an Executive Chairman. The Independent Directors on the Board are competent and highly respected professionals from their respective fields and have vast experience in general corporate management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as members of the Board. The day to day management of the Company is conducted by Managing Director subject to supervisions and control of the Board.

None of the non-executive directors has any material pecuniary relationships or transactions with the Company, its promoters, directors and associates which in their judgment would affect their independence. None of the directors are inter-se related to each other.

The Board of Directors met 7 times on 3<sup>rd</sup> April, 30<sup>th</sup> May, 28<sup>th</sup> June, 13<sup>th</sup> July, 14<sup>th</sup> August and 13<sup>th</sup> November in year 2013 and on 12<sup>th</sup> February in the year 2014 during the financial year 2013-2014.

The composition and category of the Board of Directors as at March 31, 2014, the number of other Directorships/Committee memberships held by them and also the attendance of the Directors at the Board meetings of the Company are as under:



Name	Designation	DIN	Date of Joining Board	Board Meetings Attended	Whether Attended AGM	*Committee Membership in other Cos.	*Committee Chairmanship in other Cos.	No. of Directorship in other Public Limited Cos.
Inder Chand Baid	Chairman	00235263	2 <sup>nd</sup> May 1995	7	Yes	3	Nil	4
Manish Baid	Managing Director	00239347	2 <sup>nd</sup> June 1998	7	Yes	2	Nil	4
Samir Baid	Executive Director	00243521	19 <sup>th</sup> July 1999	7	Yes	1	Nil	4
Ashok Bothra	Independent Director	01734863	22 <sup>nd</sup> Oct. 2012	6	Yes	8	4	6
Amitabh Shukla	Independent Director	00978503	25 <sup>th</sup> Oct. 2012	6	Yes	2	1	2
Alok Kumar Das	Independent Director	00243572	25 <sup>th</sup> Oct. 2012	5	Yes	2	4	4

*\*Only Audit committee and the Shareholders/Investors Grievance Committee of Indian Public Limited Companies have been considered.*

### AUDIT COMMITTEE

The Audit Committee consists of two Independent Directors & the Managing Director. All members of the Audit Committee are financially literate and they have accounting or related financial management expertise.

The primary purpose of the Audit Committee is to assist the Board of Directors (the “Board”) of GCM Securities Ltd., (the “Company”) in fulfilling its oversight responsibilities with respect to (a) the accounting and financial reporting processes of the Company, including the integrity of the audited financial results and other financial information provided by the Company to its stockholders, the public, stock exchanges and others, (b) the Company’s compliances with legal and regulatory requirements, (c) the Company’s independent auditors’ qualification and independence, (d) the audit of the Company’s Financial statements, and the performance of the Company’s internal audit function and its Independent Auditors.

### Terms of Reference

The Audit Committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting System, internal control system, discussion on quarterly, half-yearly and annual financial results, interaction with Statutory & Internal Auditors, one-on-one meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory and fixing their remuneration, appointment and remuneration of Internal Auditors, Review of Business Risk Management Plan, Management Discussions & Analysis, Review of Internal Audit Reports, significant related party transactions. The Company has framed the Audit Committee Charter for the purpose of effective compliance of Clause 52 of SME Listing Agreement. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

Additionally, the following terms of reference were issued to the Audit Committee by the Board of Directors:

- to consider and recommend to the Board the investment guidelines for Capital and Money Market operations;
- to review the Annual Budget;



- c) to take note of the significant decisions taken or important developments considered at the Management
- d) Committee/Working Board Meetings; and
- e) to carry out any other duties that may be delegated to the Audit Committee by the Board of Directors from time-to-time.

#### **AUTHORITY AND RESPONSIBILITIES**

The Audit Committee has power to investigate any activity within its terms of reference, call upon any of the Employees of the Company, to obtain outside legal or other professional advice as and when the same is being required and to secure attendance of outsiders with relevant expertise, if it considers necessary.

Following are the Role of Audit Committee –

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, 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.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;



10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. 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;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. 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;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

In addition to the above, Audit Committee reviews the followings :

- i Management discussion and analysis of financial condition and results of operations;
- ii Statement of significant related party transactions submitted by management;
- iii Management letters / letters of internal control weaknesses issued by the statutory auditors and qualification in draft audit report;
- iv Internal audit reports relating to internal control weaknesses;
- v The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The members of Audit Committee met four time on 30<sup>th</sup> May, 14<sup>th</sup> August and on 13<sup>th</sup> November in year 2013 during financial and on 12<sup>th</sup> February in the year 2014 year 2013- 2014.

Name	Number of Meetings Held	Meetings Attended
Mr. Alok Kumar Das*	4	4
Mr. Inder Chand Baid	4	4
Mr. Amitabh Shukla	4	4

\*Chairman of Committee

## REMUNERATION COMMITTEE

The Board of Directors constituted the Remuneration Committee and set out their composition, role, terms of reference and powers of the Committee.

### Terms of Reference

The terms of reference of the Committee are as follows:



1. to ensure that our Company has formal and transparent procedures for the selection and appointment of new directors to the board and succession plans;
2. to develop and implement a plan for identifying and assessing competencies of directors;
3. to identify individuals who are qualified to become board members, taking into account a variety of factors, including, but not limited to:
  - a. the range of skills currently represented on the board;
  - b. the skills, expertise, experience (including commercial and/or industry experience) and particular qualities that make individuals suitable to be a director of our Company; and/or
  - c. the individual's understanding of technical, accounting, finance and legal matters;
4. to make recommendations for the appointment and removal of directors;
5. ensure that our Company has in place a programme for the effective induction of new directors;
6. to review, on an ongoing basis, the structure of the board, its committees and their inter relationship;
7. to recommend to the Board, the remuneration packages of our Company's Managing / Joint Managing / Deputy Managing / Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
8. to be authorised at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, our Company's policy on specific remuneration packages for Company's Managing / Joint Managing / Deputy Managing / Whole-time / Executive Directors, including pension rights and any compensation payment;
9. to implement, supervise and administer any share or stock option scheme of our Company; and
10. to attend to any other responsibility as may be entrusted by the Board within the terms of reference.

#### **COMPOSITION OF REMUNERATION COMMITTEE AND MEETINGS ATTENDED**

The members of Audit Committee met four time on 30<sup>th</sup> May, 14<sup>th</sup> August and on 13<sup>th</sup> November in year 2013 during financial and on 12<sup>th</sup> February in the year 2014 year 2013- 2014.

The Company has complied with the non-mandatory requirements of clause 52 of Listing Agreement.

#### **Details of Remuneration paid to Directors**

Sum of ₹ 3,00,000/- has been paid to Mr. Manish Baid, Managing Director, towards Directors' Remuneration for the financial Year ended on 31<sup>st</sup> March, 2014. No Fee, including Directors' sitting fees has been paid to any of remaining Directors.

No Stock option has been allotted to any of the Directors during the financial year 2013-2014.

None of the Independent Directors holds any shares in their name or in the name of their relatives.

#### **INVESTOR GRIEVANCE AND SHARE TRANSFER COMMITTEE**

The Board of GCM Securities Limited has constituted a Committee of Directors, which inter-alia also functions as "Shareholders/Investors Grievance Committee and Share Transfer Committee", consisting of three members, chaired by a Non-Executive, Independent Director. The Committee

meets once in a quarter and inter-alia, deals with various matter relating to:

- ✓ Transfer/transmission/transposition of shares;
- ✓ Consolidation/splitting of shares/folios;
- ✓ Issue of Share Certificates for lost, sub-divided, consolidated, rematerialize, defaced etc;
- ✓ Review of Shares dematerialized and all other related matters; and
- ✓ Investors' grievances and redressal mechanism and recommend measures to improve the level of Investor Services.

The Share Department of the Company and the Registrar and Share Transfer Agent, Purva Sharegistry India Pvt. Ltd. attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges and Registrar of Companies etc.

The Minutes of Investors Grievances and Share Transfer Committee are noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

#### COMPOSITION OF COMMITTEE AND MEETINGS ATTENDED

During the year, four meetings of the Investor Grievance and Share Transfer Committee were held on 30<sup>th</sup> May, 14<sup>th</sup> August and on 13<sup>th</sup> November in year 2013 during financial and on 12<sup>th</sup> February in the year 2014 year 2013- 2014.

Brief details of Names, Position, Category and meeting attended by Members of Committee is as follows:

Name	Position	Category	Meetings Attended
Mr. Amitabh Shukla*	Chairman	Independent, Non-Executive	4
Mr. Alok Kumar Das	Member	Independent, Non-Executive	4
Mr. Manish Baid	Member	Executive – Whole time	4

\*Chairman of Committee

#### COMPLIANCE OFFICER

The Company has appointed Ms. Pooja Bhartia as a Compliance Officer within the meaning of Listing Agreement.

#### SHARE TRANSFER COMMITTEE

The members of Share Transfer Committee met four time on 30<sup>th</sup> May, 14<sup>th</sup> August and on 13<sup>th</sup> November in year 2013 during financial and on 12<sup>th</sup> February in the year 2014 year 2013- 2014.

Details of Members of Share Transfer Committee and their presence in the meetings is as under:-

Name	Number of Meetings Held	Category	Meetings Attended
Mr. Amitabh Shukla*	Chairman	Independent, Non-Executive	12
Mr. Alok Kumar Das	Member	Independent, Non-Executive	12
Mr. Manish Baid	Member	Executive – Whole time	12

\*Chairman of Committee

#### DETAILS OF SHAREHOLDERS' COMPLAINTS DURING THE YEAR

During the year the Company did not receive any complaint from any of its Members and there were Nil Complaints at the end of Financial Year ending on 31st March 2014.

## GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings :

Annual General Meeting	Date & Time	Venue
18 <sup>th</sup> Annual General Meeting	30 <sup>th</sup> September 2013, 10.30 AM	3B, Lal Bazar Street, Sir R N M House 5th Floor, Kolkata 700001, West Bengal
17 <sup>th</sup> Annual General Meeting	29 <sup>th</sup> September 2012, 5.00 PM	3B, Lal Bazar Street, Sir R N M House 5th Floor, Kolkata 700001, West Bengal
16 <sup>th</sup> Annual General Meeting	30 <sup>th</sup> September 2011, 5.00 PM	3B, Lal Bazar Street, Sir R N M House 5th Floor, Kolkata 700001, West Bengal

## LOCATION AND TIME OF LAST TWO EXTRA-ORDINARY GENERAL MEETINGS :

Details of Extra-Ordinary General Meetings held during last three financial years are as under:-

During Financial Year 2012-2013, an Extra Ordinary General Meeting (EOGM) was held on 22<sup>nd</sup> day of November 2012 at 5.30 PM at Registered Office of the Company for increase in Authorized Capital from ₹ 3.33 Crore to ₹ 20.00 Crore.

Another Extra Ordinary General Meeting (EOGM) was held during the previous financial year, was on 7<sup>th</sup> day of December 2012 at 5.30 PM at Registered Office of the Company for appointment of Mr. Manish Baid as Managing Director of the Company and to fix his remuneration to the extent of ₹ 25,000/- per month.

An Extra-Ordinary General Meeting (EOGM) was held on 30<sup>th</sup> January 2013 for the purpose of further issue of 2.00 Lac Equity Shares of the Company by way of pre IPO allotment at a price of ₹ 20/- per Share, approved the appointment of M/s Inventure Merchant Banker Services Private Limited as Merchant Banker for proposed forthcoming Initial Public Offer (IPO), appointment of M/s Bindal Equities Limited as Market Maker and Underwriter for proposed IPO, appointment of Mrs. Madhuri V. Gaikwad as Legal Advisors to the IPO, Increase in borrowing power to the extent of ₹ 100 Crore, approved the power to the Company for mortgage of whole of undertakings of the Company, amendments in Article of Association to empower Company to enter into the Capital Market and to issue further Shares by way of IPO etc.

No Extra-Ordinary General Meeting (EOGM) was held by the Company during financial years 2011-2012.

## POSTAL BALLOT

No Resolution has been passed by way of Postal Ballot during last three years.

At the forthcoming Annual General Meeting, there is no item on the agenda that needs approval by Postal Ballot.

## SPECIAL RESOLUTION PASSED IN LAST THREE ANNUAL GENERAL MEETINGS:

No Special Resolutions have been passed in any of the Annual General Meetings during last three financial years.

## BOARD DISCLOSURES

### Compliance with Governance Framework

The Company is in compliance with all mandatory requirements of Clause 52 of SME of Listing Agreement. In addition, the Company has also adopted the non-mandatory requirements of constitution of Remuneration and Nomination Committee and tenure of office of Independent Directors.



### **Disclosure on materially significant related parties transactions that may have potential conflict of interests of the Company at large**

There are no materially significant related party transactions made by the Company with its Promoters, their subsidiaries, Directors, Senior Management or relatives etc., which may have potential conflict with the interest of the Company at large.

The Company is in compliance with all mandatory requirements of Clause 52 of SME of Listing Agreement. In addition, the Company has also adopted the non-mandatory requirements of constitution of Remuneration and Nomination Committee and tenure of office of Independent Directors.

### **Disclosure of Accounting Treatment**

In the preparation of financial statements, the Company has followed the Accounting Standards referred to in Section 211(3)(c) of the Companies Act, 1956. The Significant Accounting Policies which are consistently applied are set out in the Notes to the Financial Statements.

### **Risk Management**

The Company has a Risk Management Policy which has been adopted by the Board of Directors, currently, the Company's risk management approach comprises of the following :-

- ❖ Governance of Risk
- ❖ Identification of Risk
- ❖ Assessment of Control of Risk

The risks have been prioritized through a Companywide exercise. Members of Senior Management have undertaken the ownership and are working on mitigating the same through co-ordination among the various departments, insurance coverage, security policy and personal accident coverage for lives of all employees.

The Company has appointed a Risk Officer and also put in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

Risk Officer will make a presentation periodically on risk management to the Board of Directors and the Audit Committee. The Board and the Audit Committee provide oversight and review the risk management policy periodically.

### **INSIDER TRADING**

The Securities and Exchange Board of India (SEBI) has over the years introduced various amendments to the Insider Trading Regulations of 1992 which ordain new action steps by corporate and other market intermediaries for the purposes of prevention of Insider Trading.

Pursuant to the above requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a "Code of Conduct" for Prevention of Insider Trading (The Code) with effect from October 1, 2002. The Code is applicable to all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Compliance Officer has been appointed for monitoring adherence to the said Regulations.

### **DISCLOSURES**

- (a) There were no transactions with related party i.e. with Promoters, Directors, Management, Subsidiaries or Relatives that may have potential conflict of interest with the Company



at large. The details of the related Party transactions are disclosed under the notes on accounts, as required under the Accounting Standard 18 issued by the Institute of Chartered Accountants of India.

### **CODE OF BUSINESS CONDUCT & ETHICS**

The Company has adopted Code of Business Conduct and Ethics ("the Code") which is applicable to the Board of Directors and Senior Management Team (one level below the Board of Directors) of the Company. The Board of Directors and the members of Senior Management Team are required to affirm semi-annual compliance of this Code. The Code requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company website.

### **CONFLICT OF INTEREST**

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other Companies including Chairmanships and notifies changes during the year. Members of Board while discharging their duties, avoid conflict of interest in the decision making process. The members of Board restrict themselves from any discussions and voting in transactions that they have concern or interest.

### **DISCLOSURES ON NON-MANDATORY REQUIREMENTS**

The Company has adopted/complied with the following non-mandatory requirements as prescribed in Annexure I D to Clause 52 of SME of Listing Agreement with the Stock Exchange :-

- a) None of the Independent Directors on the Board of the Company has served for the tenure of exceeding nine years. The Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which in the opinion of the Company would enable him to contribute effectively to the Company in his capacity as an Independent Director.

### **MEANS OF COMMUNICATIONS**

- The Company regularly provides information to the Stock Exchanges as per the requirements of the listing Agreement.
- The Half Yearly & Annual Results have been submitted to BSE Limited and published in the leading English Newspapers and in vernacular language Newspaper.
- Company posts its Half Yearly & Annual Results on its website [www.gcmsecuritiesltd.com](http://www.gcmsecuritiesltd.com).
- Official News releases have been posted on its web portal [www.gcmsecuritiesltd.com](http://www.gcmsecuritiesltd.com).
- No formal representations were made to Institutional Investors or Analysts during the year under review.
- Management Discussion and Analysis forms part of the Annual Report is available on its website [www.gcmsecuritiesltd.com](http://www.gcmsecuritiesltd.com) and also on BSE website [www.bseindia.com](http://www.bseindia.com). Further, if Investor is desirous of getting physical copy of Annual Report, Investor can send their request to M/s. Purva Sharegistry (India) Pvt. Ltd., Registrar & Share Transfer Agent, by sending request letter or by sending email to them.

### **GENERAL SHAREHOLDER INFORMATION**

Detailed information in this regard is provided in section "Shareholders Information" which forms part of this Annual Report.





## SHAREHOLDERS' INFORMATION

### a. Annual General Meeting

The information regarding 19<sup>th</sup> Annual General Meeting for the financial year ended on 31st March 2014 is as follows :-

Day & Date : Friday, 19<sup>th</sup> September, 2014  
 Time : 11.30 A.M.  
 Venue : 3B, LalBazar Street, SirRNM House, 5th Floor, Kolkata 700001, West Bengal

b. Financial Year : 1st April to 31st March.

c. Future Calendar :

Subject Matter	Date
Financial Reporting of 1 <sup>st</sup> Half Year ended on 30 <sup>th</sup> September 2014	Mid of November, 2014
Financial Reporting of 2 <sup>nd</sup> Half Year / Year ended on 31 <sup>st</sup> March 2015	During May 2015
Date of Annual General Meeting	During September 2015

d. Date of Book Closure : September 12, 2014 to September 19, 2014  
 (Both days inclusive)

e. Dividend Payment Date : No Dividend has been recommended for the year under review.

f. Listing of Shares : BSE Limited (BSE SME Segment)

g. Listing Fees & Custody Fees : Company has paid Annual listing Fees to BSE and Custodial Fees to both NSDL & CDSL for year 2014-2015.

h. Stock Code & ISIN : Scrip Code 535431 on BSE,  
 ISIN : INE168O01018 on both NSDL & CDSL

i. Market Price Data :

Month	Price on BSE (₹) & Volume			S&P BSE Sensex	
	High	Low	Volume	High	Low
April 2013	82.85	65.00	42,50,400	19622.68	18144.22
May 2013	99.40	99.40	5,96,400	20443.62	19451.26
June 2013	131.15	119.25	1,05,16,800	19860.19	18467.16
July 2013	157.35	157.35	9,44,100	20351.06	19126.82
August 2013	228.00	180.00	8,61,19,200	19569.20	17448.71
September 2013	201.60	139.00	98,00,400	20739.69	18166.17
October 2013	171.35	119.00	33,12,900	21205.44	19264.72
November 2013	341.20	205.60	88,82,440	21321.53	20137.67
December 2013	294.00	271.00	39,50,400	21483.74	20568.70
January 2014	324.00	271.00	24,90,480	21409.66	20343.78
February 2014	330.00	330.00	2,64,000	21140.51	19963.12
March 2014	461.00	275.00	79,08,000	22467.21	20920.98

### j. Registrar & Share Transfer Agent

M/s. Purva Shareregistry (India) Pvt. Ltd. has been appointed as Registrar & Share Transfer Agent for all work relating to share registry in terms of physical. All transfer, transmission,

request related to correspondence/queries, intimation of change of address etc. should be addressed to our RTA directly at the following Address:

**M/s. Purva Sharegistry (India) Pvt. Ltd.**

9, Shiv Shakti Ind. Estate, Ground Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011

Tel : 022-23016761, Website : [www.purvashare.com](http://www.purvashare.com), Email : [purvashr@mtnl.net.in](mailto:purvashr@mtnl.net.in)

**k. Share Transfer Systems**

The Share transfer is processed by the Registrar & Share Transfer Agent, Purva Sharegistry (India) Pvt. Ltd. and approved by Share Transfer Committee, if the documents are complete in all respects, within 15 days from the date of lodgment.

**l. Distribution of Shareholding as on 31st March 2014**

Shareholding of Nominal Value of	No. of Share Holders	% of Share Holders	Total No. of Shares Held	% of Share Holding
1-5000	5	0.46	1400	0.01
5001-10000	15	1.39	12000	0.06
10001 - 20000	8	0.74	15200	0.08
20001 - 30000	8	0.74	19900	0.10
30001 - 40000	1	0.09	3700	0.02
40001 - 50000	6	0.56	30000	0.16
50001 – 100000	713	65.96	4281200	22.54
100001 and above	325	30.06	14632600	77.03
<b>Total....</b>	<b>1081</b>	<b>100.00</b>	<b>18996000</b>	<b>100.00</b>

**m. Shareholding Pattern as on 31st March 2014**

Categories	No. of Shares	% of Shareholding
Promoters, Directors, Relatives & Person acting in concert	7890000	41.53
Indian Bank	0	0.00
Trust	18000	0.10
Hindu Undivided Family (HUF)	1708000	8.99
Private Corporate Bodies	262300	1.38
Indian Public	9111700	47.97
NRI / OCB	6000	0.03
<b>Total .....</b>	<b>18996000</b>	<b>100.00</b>

**n. Categories of Shareholders as on 31st March 2014**

Category	No. of Share holders	% of Share holders	No. of Shares Held	% of Share Holding
Resident Individuals	875	80.94	9111700	47.97
Promoters	7	0.65	7890000	41.54
Trust	2	0.19	18000	0.09
Hindu Un-divided Families	171	15.82	1708000	8.99
Corporate Bodies	25	2.31	262300	1.38
NRI / OCB	1	0.09	6000	0.03
<b>Total .....</b>	<b>1081</b>	<b>100.00</b>	<b>18996000</b>	<b>100.00</b>



**o. Dematerialization of Equity Shares & Liquidity**

The Company's Equity Shares are in compulsory Rolling (Demat) Segment as the Company has established connectivity with both NSDL & CDSL by signing the necessary agreements.

**Procedures for dematerialization / rematerialization of Equity Shares:-**

Shareholders seeking demat / remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to Registrar and Share Transfer Agents of the Company. Upon receipt of the request and share certificates, the Registrar will verify the same. Upon verification, the Registrar will request NSDL and/or CDSL to confirm the demat request. The demat account of the respective share holder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

In case of remat, upon receipt of the request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The Registrar then requests NSDL and/or CDSL to confirm the same. Approval of the Company is being sought and equivalent numbers of shares are issued in physical form to the shareholder. The share certificates are dispatched within fifteen days from the date of issue of Shares.

As on 31st March 2014, 98.06% Equity Shares of the Company held by Public are in dematerialized form.

**p. Nomination**

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

**q. For the Attention of Shareholders holding shares in electronic form**

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

**r. Electronic Clearing Service**

The Securities and Exchange Board of India (SEBI) has made it mandatory for all Companies to use the bank account details furnished by the Depositories for depositing dividends. Dividend will be credited to the Members' bank account through NECS wherever complete core banking details are available with the Company. In case where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. The Company complies with the SEBI requirement.

**s. Service of Documents through Electronic Mode**

As a part of Green Initiatives, the members who wish to receive the notice/documents through e-mail, may kindly intimate their e-mail address to the Company's Registrar and Share Transfer Agent, Purva Share Registry (India) Pvt. Ltd. to their dedicated e-mail id i.e., [purvashr@mtnl.net.in](mailto:purvashr@mtnl.net.in).

**t. Green initiatives in Corporate Governance to receive documents through email by**


**registering your email address :**

The Ministry of Corporate Affairs (MCA) has taken a “Green initiative in the Corporate Governance” by providing an opportunity to the shareholders to register their email address with Company and changes therein from time to time.

The Company will send notices/documents such as Annual Reports and notices by email to the shareholders registering their email address. To support this laudable move of the Government, the members who have not registered their email address, so far, are requested to do so at the earliest, in respect of demat holding through the respective Depository Participant (DP) and in respect of physical holding through the Registrar and Share Transfer Agent (RTA) M/s. Purva Share registry (India) Pvt. Ltd.

While every notice/document will be sent through email address registered with the Company, in case you desire to receive any notice/document in physical form, please intimate by email and the same shall be sent to your address registered with the Company/ DP.

We solicit your patronage and support in joining hands with the Company to implement the e-governance initiative.

**u. Details on use of Public Funds Obtained in the last three years :**

Particulars of Utilization	Amount (₹ in Lac)
Investment in Shares, Securities & Mutual Funds	2528.20
Lying with Scheduled Banks in form of FDR	605.00
<b>Total .....</b>	<b>3133.20</b>

**v. Outstanding GDRs./ADRs/Warrants or any convertible instruments, conversion data likely impact on Equity :**

Not Applicable.

**w. Investors' Correspondence**

Shareholders can contact the following Officials for secretarial matters of the Company :-  
Ms. Pooja Bhartia - [gcmsecu.kolkata@gmail.com](mailto:gcmsecu.kolkata@gmail.com)

**x. Code of Conduct**

The Board of Directors of the Company has laid down Code of Conduct for Directors and for Senior Management & Employees. All Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the Managing Director & Chief Executive Officer is annexed to this report.

**y. Address for Correspondence**

GCM SECURITIES LIMITED  
805, Raheja Centre, Free Press Journal Marg,  
Nariman Point, Mumbai – 400 021;  
Tel: +91 22 3023 5727, Fax: +91 22 3020 1364  
Email : [gcmsecu.kolkata@gmail.com](mailto:gcmsecu.kolkata@gmail.com)  
URL : [www.gcmsecuritiesltd.com](http://www.gcmsecuritiesltd.com)



## CHAIRMAN & MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT

As required by Clause 52 of SME of Listing Agreement, the Managing Director and CEO's Declaration for Code of Conduct is given below:

To The Members of

### GCM SECURITIES LIMITED

- (a) We have reviewed financial statements and the cash flow statement for the year 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;
  - (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) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which 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.

By order of the Board  
For **GCM Securities Limited**  
S/d-  
**I. C. Baid (DIN : 00235263)**  
Chairman

Place: Kolkata  
Date: May 28, 2014

## ANNUAL CERTIFICATE UNDER CLAUSE 52 OF SME(I)(D) OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

I, I. C. Baid, Chairman of M/s. GCM Securities Limited declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct during the year ended 31<sup>st</sup> March 2014.

By order of the Board  
For **GCM Securities Limited**  
S/d-  
**I. C. Baid (DIN : 00235263)**  
Chairman

Place: Kolkata  
Date: May 28, 2014



## SECRETARIAL COMPLIANCE REPORT

The Board of Directors,

**M/s. GCM Securities Limited**

We have examined the registers, records, books and papers of M/s. GCM Securities Limited as required to be maintained under the Companies Act, 1956, (hereinafter referred to as "The Act"), the rules made there under the Act and amended thereto from time to time and includes Companies Act, 2013 as applicable (hereinafter referred to as 2013 Act) and also the provisions contained in the Memorandum of Association and Articles of Association of the Company for the year ended 31<sup>st</sup> March 2014. In our opinion and to the best of our information and according to the examinations carried out by and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year -

On the basis of our examination as well as information and explanations furnished by the Company and the records made available to us, we report that:

1. The Company has kept and maintained all registers and records, as per the provisions of the Companies Act 1956 (the Act) and the rules made there under and all entries therein have been duly recorded during the year.
2. The Company has filed the forms and return, with the Registrar of Companies or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company has given proper notice along with the agenda for convening of Board Meeting, Committee Meetings and Annual General Meetings during the year.
4. The proceedings of the Meetings were properly recorded in the Minutes Books during the year.
5. The Board of Directors of the Company is duly constituted during the year.
6. The Company has obtained all the necessary approvals from the Board and Shareholders as required by the Act during the year.
7. The Company has not accepted any Deposit in terms of Section 58A of the Act read with Companies (Acceptance of Deposit) Rules, 1975 during the year.
8. The Company has not declared dividend and thus compliance with the provisions of section 205 of the Act is not applicable to the Company for the year.
9. The Company has paid sum of ₹ 25,000/- towards remuneration to the Managing Director of the Company during the year in terms of section 198, 269, 309 read with Schedule XIII of the Act.
10. The Company has not appointed any sole selling agent in terms of section 294 of the Act during the year.
11. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under section 295 of the Act during the year.
12. The Company has not entered into any transactions, which falls under section 297 of the Act during the year.
13. The Directors have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions section 184 of the Act.
14. The Company has not appointed any person as a place of profit in terms of section 188 of the Act during the year.
15. The Company has not issued any duplicate share certificate during the financial year.
16. The Company has complied with the provisions of section 186 of the Act.



17. The Company :
  - a) has delivered all the Share Certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
  - b) was not required to deposit any amount in a separate Bank Account as the Company has not declared any Dividend during the year.
  - c) was not required to post warrants to members of the Company within the required time frame as the Company has not declared any Dividend during the year.
  - d) Was not required to transfer any amount to Investor Education and Protection Fund.
  - e) Has duly complied with the requirement of section 134 of the Act.
18. The Board of Directors of the Company is duly constituted and there were no appointments / resignation of Additional Director/s alternate Director/s and Directors to fill the casual vacancy during the financial year.
19. The Company was not required to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act.
20. During current financial year, the Company has issued 60.96 Lac Equity Shares of ₹ 10/- each by way of Initial Public Offerings (IPO) to the Persons other than Promoters at a price of ₹ 20/- including Premium of ₹ 10/- per Equity Share.
21. The Company has not bought back any share during the financial year.
22. There was no redemption of preference shares or debentures during the financial year.
23. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
24. As per the information and explanation given, the Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 15A during the financial year.
25. The Company has not borrowed fund from its Directors, members, public, financial institutions, banks and others during the financial year ending on 31<sup>st</sup> March 2014.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered its Memorandum of Association and Articles of Association with respect to the Share Capital of the Company.
30. There was no prosecution initiated against the Company, or Show Cause Notices received by the Company, for offences under the Act.
31. The Company has not received any money as security from its employees during the financial year 2013-2014.

For **G. S. Bhide & Associates**  
Company Secretaries

Place : Mumbai  
Date : May 28, 2014

**Gayatri S. Bhide**  
Proprietor  
C. P. No. 11816



## Annexure "A"

Name of the Company : GCM Securities Limited  
 CIN : L67120WB1995PLC071337  
 Financial Year ended : 31<sup>st</sup> March 2014  
 Register as maintained by the Company :-

Statutory Registers :

Sl. No.	Section under the Companies Act, 2013	Name of the Register
1.	88	Register of Members
2.	94	Copies of Annual Returns
3.	118	Minutes Books for Board / General Meetings
4.	189	Register of contracts, companies and firms in which directors are interested
5.	170	Register of Directors
6.	170	Register of Directors' Shareholding

## Annexure "B"

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other Authorities during the financial year ending on 31<sup>st</sup> March 2014.

Sr. No.	Form N. / Return	Filed u/s	For	Whether filed within prescribed time Yes / No	If delay in filing whether requisite additional Fees paid Yes/No
1.	Form 23AC and ACA for the Financial Year ended on 31 <sup>st</sup> March 2012	220	Annual Requirement	Yes	N.A.
2.	Form 20B for the Financial Year ended 31 <sup>st</sup> March 2012	159	Annual Requirement	Yes	Yes
3.	Form 66	383A & Rule 3(2)	Annual Compliance Certificate	Yes	Yes
4.	Form 2	75(1)	Return of Allotment	Yes	Yes

b) Forms and Returns filed with Regional Director : Nil

c) Forms and Returns filed with Central Government or other Authorities : Nil

For **G. S. Bhide & Associates**  
 Company Secretaries

Place : Mumbai  
 Date : May 28, 2014

**Gayatri S. Bhide**  
 Proprietor  
 C. P. No. 11816





## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of GCM Securities Limited

We have examined the compliance of the conditions of Corporate Governance by GCM Securities Limited (The Company) for the year ended 31st March 2014 as stipulated in Clause 52 of SME Listing Agreement of the said Company with Bombay Stock Exchange Ltd.

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

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

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievances Committee.

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

For **Bharat D. Sarawgee & Co.**  
Chartered Accountants

Place : Kolkata  
Date : May 28, 2014

**Bharat D. Sarawgee**  
Partner  
Membership No. 061505  
FRN: 326264E



## INDEPENDENT AUDITORS' REPORT

### To the Members of GCM SECURITIES LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of the **GCM SECURITIES LIMITED**, which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the 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 Section 211(3C) of the Companies Act, 1956 ('the Act'). 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.

#### Auditor's 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 judgement, 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, 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 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 aforesaid 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:

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

#### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central



Government in terms of Section 227(4A) of the Act, we give in the Annexure a Statement on the matters specified in paragraphs 4 and 5 of the Order. As required by Section 227(3) of the Act, We report that:

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory.

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.

The Balance Sheet and the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report, are in agreement with the books of account.

In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement Comply with the Accounting Standards referred to in Section 211(3C) of the Act.

On the basis of the written representation received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Bharat D. Sarawgee & Co.**  
Chartered Accountants

Place : Kolkata  
Date : May 28, 2014

**Bharat D. Sarawgee**  
Partner  
Membership No. 061505  
FRN: 326264E



## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 of our report of even date)

11. The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets. We are informed that all the fixed assets have been physically verified by the management during the year and no discrepancies have been noticed on such verification. No Disposal of any substantial parts of the fixed assets of the Company has taken place during the year.
12. The stock in trade has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The procedure of physical verification of stock followed by the management is reasonable and adequate in relation to the size of the Company and the nature of the business. The Company is maintaining proper records of stocks. No discrepancies noticed on verification between the physical stocks and the book records.
13. The Company has not taken or granted any loans, secured or unsecured to or from any Companies, firms or other parties listed in the Registered Maintained under Section 301 of the Companies Act, 1956.
14. The Company has adequate internal control procedures commensurate with the size of the Company and nature of its business. We have not come across any weaknesses in internal control.
15. In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 is entered.
16. The Company has not accepted any deposits from the public.
17. In our opinion, the Company has an internal audit system commensurate with its size and nature of the business.
18. The Company is regular in depositing undisputed statutory dues including provident Fund, Investor Education Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amount payable in respect of income tax, wealth tax, service tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31st March, 2014 for a period of more than six months from the date they became payable. According to the information and explanations given to us, there are no dues of income tax, wealth tax, service tax, sales tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
19. The Company has no accumulated losses in the current financial year as well as in the immediately preceding Financial Year and has not incurred cash losses in the Current and immediately preceding financial year.
20. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



21. The Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
22. In our opinion and according to the information and explanations given to us, the nature and activities of the Company does not attract any special statute applicable to chit fund and nidhi /mutual benefit fund/ societies.
23. In respect of dealing in shares, securities and other investments, in our opinion and according to the information and explanation given to is, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares and securities and other investments have been held by the Company in its own name.
24. The Company has not issued any preferential allotment to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.
25. The Company has not raised any money during the year through public issue, although allotment was done in the month of April, 2013 for Public issue pertaining to financial year 2013-2014. Further the management has disclosed the end uses of fund raised and have been verified by us.
26. No fraud on or by the Company has been noticed or reported during the course of our audit.
27. The other provisions of the Order do not appear to be applicable for the year under report.

For **Bharat D. Sarawgee & Co.**  
Chartered Accountants

Place : Kolkata  
Date : May 28, 2014

**Bharat D. Sarawgee**  
Partner  
Membership No. 061505  
FRN: 326264E



## BALANCE SHEET AS AT MARCH 31ST 2014

		Amount in ₹	
	Note	As at March, 31st 2014	As at March, 31st 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2.1	189,960,000	129,000,000
Reserves and Surplus	2.2	211,668,117	149,779,536
		<b>401,628,117</b>	<b>278,779,536</b>
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities (Net)		43,218	101,514
		<b>43,218</b>	<b>101,514</b>
<b>Current Liabilities</b>			
Secured Loan	2.3	281,644	435,268
Trade Payables	2.4	497,500	1,142,679
Other Current Liabilities	2.5	9,450,826	9,315,412
Short-Term Provisions	2.6	1,450,822	1,245,951
		<b>11,680,792</b>	<b>12,139,310</b>
<b>TOTAL</b>		<b>413,352,128</b>	<b>291,020,360</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Asset : Tangible Assets	2.7	763,430	1,071,105
Non-Current Investments	2.8	211,946,807	1,735,618
Long Term Loans and Advances	2.9	70,647,836	69,347,836
		<b>283,358,073</b>	<b>72,154,559</b>
<b>Current Assets</b>			
Inventories	2.10	3,800,507	80,186,907
Trade Receivables	2.11	26,622,741	2,367,877
Cash and Cash Equitnant	2.12	83,211,386	47,428,406
Short Term Loans & Advances	2.13	16,359,422	88,882,611
		129,994,055	218,865,801
<b>TOTAL</b>		<b>413,352,128</b>	<b>291,020,360</b>

**Significant Accounting Policies  
and notes on Financial Statements**

1 & 2

As per our report of even date  
**For Bharat D. Sarawgee & Co.**  
 Chartered Accountants  
 Firms Registration Number: 326264E

For and on behalf of the Board of  
**GCM Securities Limited**

**Bharat D. Sarawgee**  
 Partner  
 Membership Number: 061505

**I. C. Baid**  
 DIN : 00235263  
 Director

**Manish Baid**  
 DIN : 00239347  
 Director

Place: Kolkata  
 Dated: 28th May, 2014



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

Amount in ₹

Particulars	Note	Year ended March 31st 2014	Year ended March 31st 2013
<b>INCOME</b>			
Operating Income	2.14	120,791,781	52,392,479
Other Income	2.15	11,184,500	7,597,042
<b>Total Revenue</b>		<b>131,976,281</b>	<b>59,989,521</b>
<b>EXPENDITURE</b>			
Purchases of Stock-in-Trade	2.16	46,633,109	101,421,600
Changes in inventories of Stock-in-Trade	2.10	76,386,400	(54,393,400)
Stock Exchange & Other Regulatory Expenses	2.17	201,967	789,234
Employee Benefits Expense	2.18	1,811,781	4,215,540
Finance Cost	2.19	14,410	10,321
Depreciation and amortisation expenses	2.7	307,675	487,230
Other Expenses	2.20	5,545,784	5,167,717
<b>Total Expenses</b>		<b>130,901,126</b>	<b>57,698,242</b>
<b>Profit Before tax</b>		<b>1,075,155</b>	<b>2,291,279</b>
Tax Expenses:			
Current tax		204,871	871,938
Deferred Tax Liability Reversal		(58,297)	(349,516)
<b>Profit for the year</b>		<b>928,571</b>	<b>1,768,857</b>
<b>Earning per equity share of face value of ₹ 10/- each</b>			
Basic (in ₹)	2.21	0.05	0.14
Diluted (in ₹)		0.05	0.14

**Significant Accounting Policies and notes on  
Financial Statements**

1 &amp; 2

As per our report of even date  
**For Bharat D. Sarawgee & Co.**  
 Chartered Accountants  
 Firms Registration Number: 326264E

For and on behalf of the Board of  
**GCM Securities Limited**

**Bharat D. Sarawgee**  
 Partner  
 Membership Number: 061505

**I. C. Baid**  
 DIN : 00235263  
 Director

**Manish Baid**  
 DIN : 00239347  
 Director

Place: Kolkata  
 Dated: 28th May, 2014



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Amount in ₹

Particulars	Note	Year ended March 31 2014	Year ended March 31 2013
<b>Cash Flow from Operating Activities</b>			
Profit before Tax from Operations		1,075,155	2,291,279
Profit before Tax		1,075,155	2,291,279
Non-cash Adjustment to reconcile Profit before Tax to Net Cash Flows			
-Depreciation and Amortisation Expense		307,675	487,230
-Net Gain on sale of Investments		-3,148,154	(9,664,877)
-Profit on Sale of Fixed Assets		-	(29,466)
-Interest Expense		14,410	10,321
-Interest Income		10,528,523	(7,567,576)
Operating Profit before Working Capital Changes		<b>8,777,609</b>	<b>(14,473,089)</b>
Movements in Working Capital:			
-Increase / (Decrease) in Short-Term Provisions		204,871	(189,645)
-Increase / (Decrease) in Trade Payables		(645,179)	989,055
-Increase / (Decrease) in Other Current Liabilities		135,415	(29,970,630)
-(Increase) / Decrease in Inventories		(152,144,176)	(54,393,400)
-(Increase) / Decrease in Trade Receivables		(24,254,864)	194,430
-(Increase) / Decrease in Short Term Loans and Advances		72,523,190	(37,362,399)
Direct Taxes		-	(787,991)
		(104,180,744)	(121,520,580)
<b>Net Cash Flows from/ (used in) Operating Activities (A)</b>		<b>(95,403,135)</b>	<b>(135,993,669)</b>
<b>Cash Flow from Investing Activities</b>			
Interest/Dividend Received		10,580,524	7,567,576
(Purchase) / Sale of fixed Assets		-	100,000
Purchase of Current Investments		-	(73,333,802)
Sale of Current Investments		-	110,251,062
<b>Net Cash Flows from/ (used in) Investing Activities (B)</b>		<b>10,580,524</b>	<b>44,584,836</b>
<b>Cash Flow from Financing Activities</b>			
Proceeds from Issue of Share Capital (including premium)		121,920,000	191,400,000
Finance Cost		(14,410)	(10,321)





Particulars	Note	Amount in ₹	
		Year ended March 31 2014	Year ended March 31 2013
Net Cash Flows from/ (used in) Financing Activities (C)		121,905,590	191,389,679
Net Increase/(Decrease) in cash and Cash Equivalents ( A + B + C )		<b>37,082,980</b>	<b>99,980,846</b>
Cash & Cash Equivalents at the beginning of the year		116,776,242	16,795,396
<b>Cash &amp; Cash Equivalents at the end of the year</b>		<b>153,859,221</b>	<b>116,776,242</b>
<b>Components of Cash &amp; Cash Equivalents</b>			
Cash on Hand		<b>3,045,234</b>	<b>1,778,690</b>
With Banks - in Current Accounts		<b>19,666,152</b>	<b>45,649,715</b>
With Banks - Fixed Deposits		<b>70,647,836</b>	<b>69,347,836</b>
<b>Total Cash &amp; Cash Equivalents</b>		<b>153,859,222</b>	<b>116,776,242</b>

(0)

As per our report of even date  
**For Bharat D. Sarawgee & Co.**  
 Chartered Accountants  
 Firms Registration Number: 326264E

For and on behalf of the Board of  
**GCM Securities Limited**

**Bharat D. Sarawgee**  
 Partner  
 Membership Number: 061505

**I. C. Baid**  
 DIN : 00235263  
 Director

**Manish Baid**  
 DIN : 00239347  
 Director

Place: Kolkata  
 Dated: 28th May, 2014

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

(All amounts in ₹, except share data and unless otherwise stated)

### Note 1 Company Information & Accounting Policies

#### Company Information

The company is incorporated on 10th May, 1995 at Calcutta, West Bengal, India. It is a Public limited company by its shares. The company operates in Capital Market. The activities of the company include broking, trading, investing in shares & other securities and other related activities of capital market.

#### Accounting Policies

##### Basis of Preparation of Financial Statements

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards notified under Section 211(3c) of the Companies Act, 1956 and the relevant provisions thereof.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

##### Use of Estimates

The preparation of the financial statements in conformity with the generally accepted principles requires the management to make estimates and assumptions that effect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from that estimates and assumptions used in preparing the accompanying financial statements. Any differences of actual results to such estimates are recognized in the period in which the results are known / materialized.

##### Fixed Assets & Depreciation

Fixed Assets are stated at cost less accumulated depreciation thereon. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their book value and net realisable value and are shown separately in the financial statements under Other Current Assets. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the profit and loss account.



The cost of fixed assets comprises purchase price and any attributable cost of bringing the assets to its working condition for its intended use. The Company provides pro-rata depreciation from the date on which assets is acquired / put to use. Depreciation is provided on the Written Down value method over the estimated useful lives of the assets or the rates prescribed under Schedule XIV of the Companies Act, 1956, whichever is higher. In respect of assets sold, prorata depreciation is provided upto the date on which assets is sold. On all assets depreciation has been provided using the Written Down Value method at the rates specified in Schedule XIV to the Companies Act, 1956.

#### **Intangible Assets & Amortisation**

Intangibles assets are stated at cost less accumulated amortisation. These are being amortised over the estimated useful life, as determined by the management. Leasehold land is amortised over the primary period of the lease.

#### **Revenue Recognition**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

- a) Income is recognized on accrual basis from brokerage earned on secondary market operations on trade date.
- b) Income from arbitrage comprises profit / loss on sale of securities held as stock-in-trade and profit / loss on equity derivative instruments is accounted as per following;
  - i) Profit/loss on sale of securities is determined based on the FIFO cost of the securities sold.
  - ii) Profit / loss on arbitrage transactions is accounted for as explained below:

Initial and additional margin paid over and above initial margin for entering into contracts for Equity Index / Stock Futures / Currency Futures and or Equity Index / Stock Options / Currency Options, which are released on final settlement / squaring-up of underlying contracts are disclosed under "Other current assets". Mark-to-market margin-Equity Index / Stock Futures / Currency Futures representing the amounts paid in respect of mark to market margin is disclosed under "Other current assets".

Equity Index / Stock Option / Currency Option Premium Account" represents premium paid or received for buying or selling the Options, respectively.

On final settlement or squaring up of contracts for Equity Index / Stock Futures / Currency Future, the realized profit or loss after adjusting the unrealized loss already accounted, if any, is recognized in the Statement of Profit and Loss. On settlement or squaring up of Equity Index / Stock Options / Currency Option, before expiry, the premium prevailing in "Equity Index / Stock Option / Currency Option Premium Account" on that date is recognized in the Statement of Profit and Loss.

As at the Balance Sheet date, the Mark to Market / Unrealised Profit / (Loss) on all outstanding arbitrage portfolio comprising of Securities and Equity / Currency Derivatives positions is determined on scrip basis with net unrealized losses on scrip basis being recognized in the Statement of Profit and Loss and the net unrealized gains on scrip basis are ignored."

**Other Income Recognition**

Interest on investments is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

Dividend income on investments is accounted for when the right to receive the payment is established.

**Purchase**

Purchase is recognized on passing of ownership in share based on broker's purchase note.

**Expenditure**

Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.

**Investments**

Current investments are stated at the lower of cost and fair value. Long-term investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments. Investments are classified into current and long-term investments.

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non current investments.

**Impairment of Assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there is a change in the estimated recoverable value.

**Borrowing Costs**

Borrowing cost attributable to acquisition, construction and production of qualifying assets is capitalized as part of cost of such assets. Qualifying assets are the assets which takes substantial period of time to become ready for intended use or sale. All other borrowing costs are charged to statement of Profit & loss.

**Taxation**

Provision for current Income Tax is made on the taxable income using the applicable tax rates and tax laws. Deferred tax assets or liabilities arising on account of timing differences between book and tax profits, which are capable of reversal in one or more subsequent years is recognized using tax rate and tax laws that have been enacted or subsequently enacted. Deferred tax asset in respect of unabsorbed depreciation and carry forward losses are not recognized unless there is sufficient assurance that there will be sufficient future taxable income available to realize such losses.

**Lease**

The company bifurcate its lease contract into Operating and Finance lease, as per AS – 19. Operating Lease is a agreement in which a significant portion of the risks and rewards of ownership are retained by the lessor. In finance lease significant portion of the risks and rewards are transferred to leasee. Lease Rentals in respect of operating lease arrangements are charged to the Statement of Profit & Loss.

**Earnings per Share**

Basic earning per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**Stock in Trade**

Shares are valued at cost or market value, whichever is lower. The comparison of Cost and Market value is done separately for each category of Shares.

Units of Mutual Funds are valued at cost or market value whichever is lower. Net asset value of units declared by mutual funds is considered as market value for non-exchange traded Mutual Funds.

**Contingent Liabilities & Provisions**

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Provision is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the year end date

These are reviewed at each year end date and adjusted to reflect the best current estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**Segment reporting**

The company operates in capital market which is only identifiable reporting segment under AS-17 Segment Reporting issued by the Institute of Chartered Accountants of India.

**Foreign Currency Transactions**

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. The year end balances in the payable/receivable account are reported on the basis of closing exchange rate of respective currency. Gains and losses resulting from the settlement of such transactions in foreign currencies are recognised in the profit and loss account on realization date. Forward exchange contracts outstanding as at the year end on account of firm commitment transactions are marked to market and the losses, if any are recognized in the profit and loss account and gains are ignored in accordance with the Announcement of the Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

(All amounts in ₹, except share data and unless otherwise stated)

Note 2.1 SHARE CAPITAL	As at March 31, 2014	As at March 31, 2013
<b>Authorised Share Capital</b>		
2,00,000,00(20000000) Equity Shares of ₹ 10 each	200,000,000	200,000,000
	<b>200,000,000</b>	<b>200,000,000</b>
<b>Issued, Subscribed and Paid-up</b>		
18996000(12900000) Equity shares of ₹ 10 each fully paid- up	189,960,000	129,000,000
	<b>189,960,000</b>	<b>129,000,000</b>
<b>Reconciliation of the number of shares outstanding</b>		
Number of shares at the beginning	12,900,000	3,330,000
Add: Shares issued during the year	6,096,000	9,570,000
Number of shares at the end	<b>18,996,000</b>	<b>12,900,000</b>

Equity shareholder holding more than 5% of equity shares along with the number of equity shares held:-

Name of the shareholder	March 31, 2014		March 31, 2013	
Share Holders Name	%	No.of Shares	%	No.of Shares
INDER CHAND BAID	4.99	948,300	7.35	948,300
SAROJ BAID	6.94	1,319,100	10.23	1,319,100
MANISH BAID	7.18	1,364,800	10.58	1,364,800
SAMIR BAID	7.09	1,347,500	10.45	1,347,500
GLOBAL CAPITAL MARKET & INFRA LTD.	15.32	2,910,100	22.56	2,910,100

The Company has only one class of shares referred to as equity shares having par value of ₹ 10 each



Particulars	As at March 31, 2014	As at March 31, 2013
<b>Note 2.2 RESERVES AND SURPLUS</b>		
<b>General Reserve</b>		
Opening Balance	245,000	245,000
	<b>245,000</b>	<b>245,000</b>
<b>Share Premium Reserve</b>		
Op. Balance	144,900,000	49,200,000
Addition During The Year	60,960,000	95,700,000
	<b>205,860,000</b>	<b>144,900,000</b>
<b>Profit &amp; Loss Account</b>		
Opening balance	4,634,536	2,865,679
Add: Profit for the year	928,581	1,768,857
Closing balance	5,563,117	4,634,536
<b>TOTAL</b>	<b>211,668,117</b>	<b>149,779,536</b>
<b>CURRENT LIABILITIES</b>		
<b>NOTE 2.3 SECURED LOANS</b>		
Car Loan	281,644	435,268
(Hypothecated Loan on Car from Magma Fincorp)	281,644	<b>435,268</b>
<b>NOTE 2.4 TRADE PAYABLES</b>		
Client Balances	497,500	1,142,679
	<b>497,500</b>	<b>1,142,679</b>
<b>NOTE 2.5 OTHER CURRENT LIABILITIES</b>		
Cash Margin Deposits	5,775,000	8,225,000
Duties & Taxes	80,955	60,567
Client Dues	3,569,590	148,605
Audit Fees	25,281	28,090
Dividend Payable	-	853,150
	<b>9,450,826</b>	<b>9,315,412</b>
<b>Note 2.6 Short Term Provisions</b>		
Provision For Taxation	1,450,822	1,245,951
	<b>1,450,822</b>	<b>1,245,951</b>

**NOTE 2.7****FIXED ASSETS****Tangible Assets**

Tangible Assets		DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK		
			AS AT APRIL 01, 2013	ADDITIONS	SALES	AS AT March 31, 2014	AS AT APRIL 01, 2013	SALES	FOR THE YEAR	UPTO March 31, 2014	AS AT March 31, 2014	AS AT MARCH 31, 2013	
TANGIBLE ASSETS													
		Plant & Machinery	13.91	1,892,570	-	-	1,892,570	1,687,568	-	28,516	1,716,084	176,486	205,002
		Motor Car	25.89	1,252,310	-	-	1,252,310	836,190	-	107,733	943,923	308,387	416,120
		Data Processing Equipment	40.00	9,819,619	-	-	9,819,619	9,408,755	-	164,346	9,573,101	246,518	410,864
		Furniture & Fixture	18.10	340,451	-	-	340,451	301,331	-	7,081	308,412	32,039	39,120
		Total		13,304,950	-	-	13,304,950	12,233,845		307,675	12,541,520	763,430	1,071,105
		PREVIOUS YEAR		14,016,732	-	711,782	13,304,950	12,387,863	641,248	487,230	12,233,845	1,071,105	1,628,869



**NOTE: 2.8****INVESTMENTS (AT COST)**

A	QUOTED	As at 31st March 2014		As at 31st March 2013	
		Quantity ₹	Value ₹	Quantity ₹	Value ₹
	<b>Non - Current</b>				
1	Global Capital Markets& Infrastructure Ltd	2,800	15,110	2,800	15,110
2	NCL Research and Financial Services Ltd	2,540	5,080	2,540	5,080
3	Coal India Ltd.	17	4,900	20	4,900
4	Khoobsurat Limited	-	-	12,000	88,440
5	SBIN N5	481	5,120,942	125	1,413,726
6	GCM Commodity & Derivatives Ltd.	2,625,500	52,510,000	-	-
7	GCM Capital Advisors Ltd.	6,090,000	121,500,000	-	-
8	Infosys Ltd.	1,000	2,424,992	-	-
9	KDJ Holidayscapes & Resorts Ltd.	68,500	6,041,977	-	-
10	Out of City Travel Solutions Ltd.	93,500	23,561,409	-	-
		<b>8,884,338</b>	<b>211,184,410</b>	<b>17,485</b>	<b>1,527,256</b>
B	<b>UNQUOTED</b>				
1	Gold		762,397	-	208,362
			762,397	-	208,362
		<b>8,884,338</b>	<b>211,946,807</b>	<b>17,485</b>	<b>1,735,618</b>

**Note : The Company has transferred 26,25,500 Equity Shares of GCM Commodity & Derivatives Ltd from Closing Stock to Investment on 1st April 2013.**

Particulars	As at March 31, 2014	As at March 31, 2013
<b>NON CURRENT ASSETS</b>		
<b>NOTE 2.9 LONG TERM LOANS &amp; ADVANCES</b>		
Deposits With Exchanges	70,647,836	69,347,836
	<b>70,647,836</b>	<b>69,347,836</b>

**NOTES:2.10****Details of Inventories**

Sl. No.	Particulars	As at 31st March - 2014		As at 31st March - 2013	
		Quantity Nos.	Value ₹	Quantity Nos.	Value ₹
1	Albert David Ltd.	2,000	40,715	2,000	40,715
2	Khoobsurat Ltd.	15,600	260,000	60,600	1,010,000
3	Central Bank	964	47,792	464	47,792
4	Global Capital Markets Ltd	121,000	1,452,000	121,000	1,452,000
5	GCM Commodity & Derivatives Ltd.	-	-	2,625,500	52,510,000
6	Shreenath Commercial Finance Ltd.	-	-	1,208,000	25,126,400
7	Unishire Urban Infra Ltd	200,000	2,000,000	-	-
	<b>GRAND TOTAL</b>	<b>339,564</b>	<b>3,800,507</b>	<b>4,017,564</b>	<b>80,186,907</b>



Particulars	As at March 31, 2014	As at March 31, 2013
<b>CURRENT ASSETS</b>		
<b>NOTE 2.11 TRADE RECEIVABLES</b>		
More than six months	7,074,309	2,270,297
Others	19,548,432	97,580
	<b>26,622,741</b>	<b>2,367,877</b>
<b>NOTE 2.12 CASH &amp; CASH EQUIVALENTS</b>		
Cash-in-hand ( As Certified By the Directors)	3,045,234	1,778,690
With Scheduled Bank	19,666,152	45,649,715
F.D. With Scheduled Banks	60,500,000	
(Maturing Within One Year)	<b>83,211,386</b>	<b>47,428,406</b>
<b>NOTE 2.13 SHORT TERM LOANS &amp; ADVANCES</b>		
Advances Recoverable in cash or for value to be received	7,791,267	85,791,961
Other Short Term Advances	5,688,104	1,343,687
Advance Payment of Income Tax & TDS	2,880,051	1,746,963
	<b>16,359,422</b>	<b>88,882,611</b>
<b>NOTE 2.14 OPERATING INCOME</b>		
Brokerage	1,677,239	4,034,602
Profit in F&O Trading	72,167	-
Profit in Spot Exchange	762,828	-
Profit in Sales of Investment	3,148,154	9,664,877
Sales/adjustment of Shares	86,546,221	38,693,000
Sales of Mutual Fund	28,585,172	-
	<b>120,791,781</b>	<b>52,392,479</b>
<b>Note 2.15 Other Income</b>		
Interest on Fixed Deposit	10,528,523	7,567,576
Misc. Income	1,006	-
Bond Interest	602,970	-
Dividend Income	52,001	-
Profit on Sales of F.A (Motor Car)	-	29,466
	<b>11,184,500</b>	<b>7,597,042</b>
<b>Note 2.16 Purchase of Stock in Trade</b>		
Purchases of Stock	18,633,109	101,421,600
Purchase of Mutual Funds	28,000,000	-
	<b>46,633,109</b>	<b>101,421,600</b>
<b>NOTE 2.17 STOCK EXCHANGE &amp; OTHER REGULATORY EXPENSES</b>		
Annual Subscription	33,578	130,338
Balances Round off	114	2,633
Exchange Dues	60,270	175,800
Panelty Charges	1,723	-
Sebi Fees	50,101	225,782
Security Transactions Tax	-	60,035
VSAT & Leased Line Charges	56,180	194,647
	<b>201,967</b>	<b>789,234</b>
<b>NOTE 2.18 EMPLOYEE BENEFIT EXPENSES</b>		
Salary Bonus & Allowances	1,413,330	3,709,500
Directors Remuneration	24,000	24,000
Staff Welfare	374,451	482,040
	<b>1,811,781</b>	<b>4,215,540</b>
<b>Note 2.19 FINANCE COST</b>		
Bank Charges	14,410	10,321



Particulars	As at March 31, 2014	As at March 31, 2013
	<b>14,410</b>	<b>10,321</b>
<b>Note 2.20 OTHER EXPENSES</b>		
Advertisements'- News Paper	156,757	-
Audit Certification Charges	1,124	50,562
Audit Fees	28,090	28,090
Business Promotion Expenses	736,561	-
Commission & Brokerage	150,000	-
Depository Charges	241,925	254,135
Donation	-	6,000
Electricity Charges	133,113	75,472
Filling Fees	10,500	18,427
Fund Raising Exp.	258,936	2,284,624
General Charges	483,639	1,361,383
Insurance Charges	10,145	24,954
Interest Paid	161,199	-
Leave & License Fee	76,686	144,960
Office Rent	1,440,000	180,000
Postage & Courier	75,517	88,380
Printing & Stationery	174,495	281,760
Professional Fee	46,774	-
Rates & Taxes & Stamp Charges	115,583	-
Registrar's & Transfer Agent fee	98,240	-
Repair & Maintenance-Computers	30,701	-
Repair & Maintenance-Others	102,802	42,550
Retainers Fees	15,000	29,000
Telephone Charges	357,178	91,250
Travelling Expenses	640,820	206,170
<b>TOTAL</b>	<b>5,545,784</b>	<b>5,167,717</b>
<b>NOTE 2.21</b>		
Earning Per Share		
Profit/ (Loss) after Tax	928,581	1,768,857
Weighted Average No. of Eq.Shares o/s during the year	18,996,000	12,900,000
Face Value of Equity Shares	10 .00	10 .00
Basic Earning per share	0.05	0.14
Diluted Earning per share	0.05	0.14

**NOTE 2.22**

The Trade Receivable of Rs.70.74 Lacs from GCM Commodity & Derivatives Ltd. Is on account of settlement dues from National Spot Exchange Ltd.

**NOTE 2.23**

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, relating to amount unpaid as at the year end together with interest paid/payable as required under the said act, have not been given.

**NOTE. 2.24**

In accordance with the requirement under the Accounting Standard - 22 "Accounting for taxes on Income" the company has accounted for deferred Tax during the year. Consequently the net deferred tax asset of ₹58297/- during the year arising due to timing difference in depreciation & related items has been credited to Statement of Profit & Loss.

**NOTE 2.25**

The Payment of Gratuity Act, 1972 is not applicable to the company as the number of permanent employees in the company are below ten, similarly no other benefits are paid. The leave encashment are paid within the year and no leave balances are carried forward. Hence AS – 15 Employee Benefit has been complied with.

**NOTE 2.26**

There are no impairment of Assets, as the management is of the opinion that the carrying value of assets is more than the realizable value as on 31st March, 2014.

**NOTE. 2.27**

Related Party Disclosures: Directors are Key Management Personnel of the Company

**Directors of the Company**

- 1) Inder Chand Baid
- 2) Manish Baid
- 3) Samir Baid

**Other Related entities:**

- 1) Global Capital & Infrastructure Ltd.
- 2) Cadillac Vanijya Private Limited
- 3) Silverpearl Commercial Pvt. Ltd.
- 4) Chello Commotrade Pvt.Ltd.
- 5) GCM Capital Advisors Ltd.
- 6) GCM Commodities & Derivatives Ltd.

Remuneration to Directors : 24000/- ( Manish Baid)

**NOTE 2.28**

Other additional information to be disclosed by way of Notes to Statement of Profit and Loss  
Quantitative Details of trading items

Shares	Current Year	Previous Year
Opening Stock	4,017,564	1,587,094
Less Transfer to Investment	2,625,500	-
Purchase	695,500	3,864,400
Sales	660,800	385,330
Consolidation/spilt/bonus of shares during the year	1,087,200	1,048,600
Closing Stock	339,564	4,017,564

**NOTE 2.29**

The Company has only one reportable segment namely Share Broking & Self trading in investment products and accordingly disclosures regarding segment reporting are not being made separately.

**NOTE 2.30**

Previous year's figures have been re-arranged and re-grouped wherever considered necessary.

As per our report of even date

**For Bharat D. Sarawgee & Co.**

Chartered Accountants

Firms Registration Number: 326264E

**Bharat D. Sarawgee**

Partner

Membership Number: 061505

Place: Kolkata

Dated: 28th May, 2014

For and on behalf of the Board of

**GCM Securities Limited**

**I. C. Baid**

DIN : 00235263

Director

**Manish Baid**

DIN : 00239347

Director

# GCM SECURITIES LIMITED

CIN: L67120WB1995PLC071337

Regd. Office : 3B, Lal Bazar Street, Sir R N M House, 5th Floor, Kolkata 700001 E: gcmsecu.kolkata@gmail.com; W: www.gcmsecuritiesltd.com

## Form No. MGT – 11, PROXY FORM / BALLOT FORM

(Pursuant to the section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration), 2014)

Name of the Member \_\_\_\_\_

Registered Address \_\_\_\_\_

Folio No. / DP/Client ID \_\_\_\_\_

I/We being the members of \_\_\_\_\_ Shares of GCM Securities Limited, hereby appoint -

1. \_\_\_\_\_ having email Id \_\_\_\_\_ Signature \_\_\_\_\_ or failing him
2. \_\_\_\_\_ having email Id \_\_\_\_\_ Signature \_\_\_\_\_ or failing him
3. \_\_\_\_\_ having email Id \_\_\_\_\_ Signature \_\_\_\_\_

As my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, 19<sup>th</sup> September 2014 at 11.30 A.M. and at any adjournment thereof in respect of such resolution(s) as are indicated below :

Ordinary Business :		For	Against
1.	Adoption of Financial Statements for the year ended March 31, 2014		
2.	Retirement of Mr. Samir Baid, Director, by rotation, eligible for re-appointment		
3.	Appointment of M/s. Bharat D. Sarawgee & Co., Chartered Accountants, as Auditors and to fix their remuneration.		
Special Business :			
4.	Appointment of Mr. Alok Kumar Das as an Independent Director for a term of 5 Years.		
5.	Appointment of Mr. Amitabh Shukla as an Independent Director for a term of 5 Years.		
6.	Appointment of Mr. Ashok Bothra as an Independent Director for a term of 5 Years.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Sign. of Shareholder \_\_\_\_\_ Sign. of Proxy \_\_\_\_\_

Affix  
Revenue  
Stamp  
₹ 1/-

# GCM SECURITIES LIMITED

CIN: L67120WB1995PLC071337

Regd. Office : 3B, Lal Bazar Street, Sir R N M House, 5th Floor, Kolkata 700001 E: gcmsecu.kolkata@gmail.com; W: www.gcmsecuritiesltd.com

## ATTENDANCE SLIP

Registered Folio No. /DP ID/Client Id \_\_\_\_\_

Name & Address of Share Holder \_\_\_\_\_

I/We hereby record my/our presence at the 19<sup>th</sup> Annual General Meeting of the Company at its Registered Office on Friday, 19<sup>th</sup> September 2014.

Members' Folio/DPI/Client Id \_\_\_\_\_

Member/Proxy's Name in Capital \_\_\_\_\_

Member/Proxy's Sign. \_\_\_\_\_

*Please complete the Folio/DP Id/Client Id and Name, sign this Attendance Slip and hand it over at the Attendance verification counter at the Entrance of the Meeting Place.*





**BOOK-POST**

*If undelivered, please return to:*

**GCM SECURITIES LIMITED**

3B, Lal Bazar Street, Sir R N M House, 5th Floor, Kolkata 700001, West Bengal





# GCM SECURITIES LIMITED

MEMBER : NATIONAL STOCK EXCHANGE OF INDIA LTD. (SEBI REGN. NO. INB/INF 230793439)  
: BOMBAY STOCK EXCHANGE OF INDIA LTD. (SEBI REGN. NO. INB/INF 010793439)

## Corporate Office :

805, Raheja Centre, 8th Floor, 214, Nariman Point, F. B. Journal Road, Mumbai - 400 021.  
Tel. : (91-22) 3023 5727 / 33 • Fax : (91-22) 3020 1364



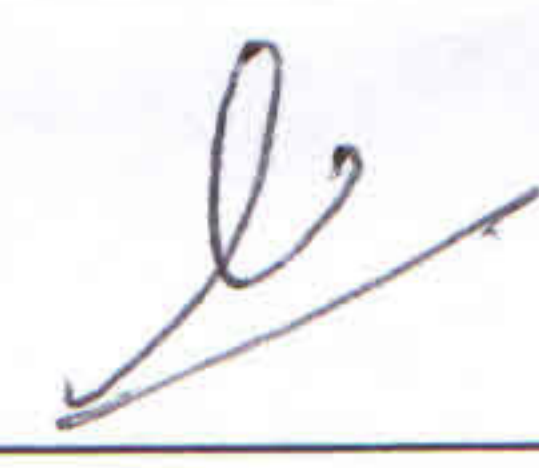
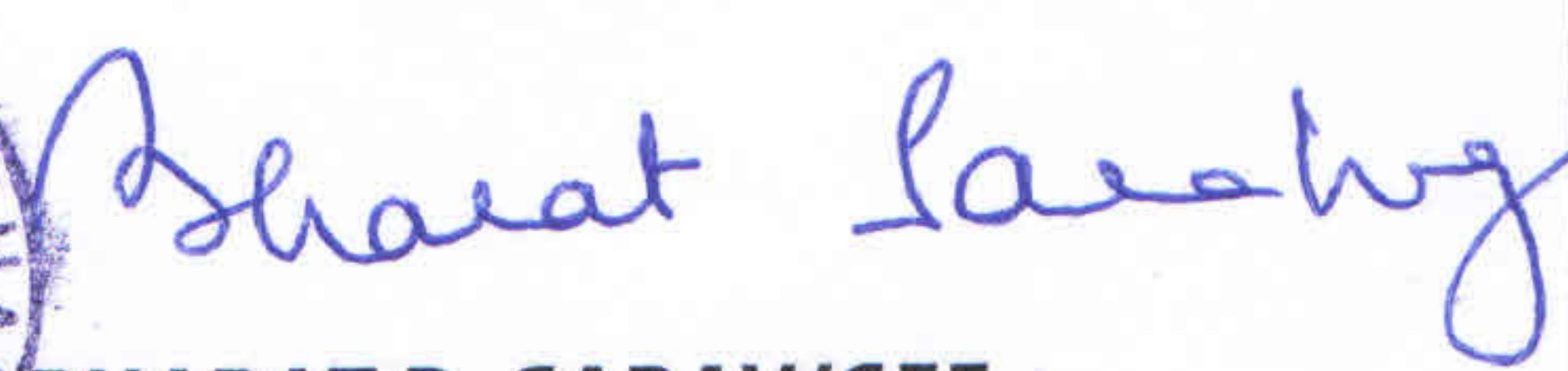


EMPOWERING INVESTORS  
A SEBI Initiative

## Form A

Format of covering letter of the Annual Report to be filed with the Stock Exchanges

(Pursuant to Clause 31(a) of the Listing Agreement)

Sr. No.	Particulars	Details
1.	Name of the Company	GCM Securities Limited
2.	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2014
3.	Type of Audit Observation	Un-qualified
4.	Frequency of Observation	NA
5.	To be signed by :	
	- Managing Director- Mr. Manish Baid	
	- Chief Financial Officer- Mr. Manish Baid	
	- Audit Committee Chairman- Mr. Alok Kumar Das	
	- Auditor of the Company	<p>Refer our Audit Report dated May 28, 2014 on the Standalone Financial Statements of the Company</p> <p><b>For Bharat D. Sarawgee &amp; Co.</b> Chartered Accountants Firm Registration No. 326264E</p> <p></p> <p><b>BHARAT D. SARAWGEE</b> <b>PARTNER</b> Membership No. 061505</p> <p>Place: Kolkata Date: May 28, 2014</p>



Registered Office: Sr. R. N. M. House, 3 B Lal Bazar Street, (5th Floor, Block-2), Kolkata - 700 001. India.

Phones : (91-33) 2248 1053 / 1415 / 9908 • Fax : (91-22) 2248 1415

CIN No:- L67120WB1995PLC071337 | Email Id:- gcmsecu.kolkata@gmail.com | Website:- www.gcmsecuritiesltd.com