



GCM

**COMMODITY &
DERIVATIVES LIMITED**

**9TH ANNUAL REPORT
2013-2014**





GCM COMMODITY & DERIVATIVES LIMITED

BOARD OF DIRECTORS

Inderchand Baid	–	Chairman
Samir Baid	–	Managing Director
Manish Baid	–	Non-Executive Director
Alok Kumar Das	–	Independent Director
Amitabh Shukla	–	Independent Director
Ranjit Kumar Modi	–	Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Nitish Vyas

AUDITORS

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

9TH

ANNUAL REPORT

2013 - 2014

PRINCIPLE BANKERS

ICICI Bank Limited
HDFC 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
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 : 19th September, 2014
Time : 9.30 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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Members are requested to bring their copy of Annual Report at the time of Meeting



NOTICE

Notice is hereby given that the 9th Annual General Meeting of the members of **GCM COMMODITY & DERIVATIVES LIMITED** will be held on Friday, 19th September, 2014 at 9.30 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 Manish Baid (DIN : 00239347), 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 thereunder, 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 9th Annual General Meeting up to the conclusion of the 14th 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 31st March 2019, 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 31st March 2019, not liable to retire by rotation.”

6. Appointment of Mr. Ranjit Kumar Modi 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. Ranjit Kumar Modi (DIN: 00636877), 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 31st March 2019, not liable to retire by rotation.”

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 **info@gcmcommo.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 competent 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 Sharegistry (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 9th 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 Sharegistry (India) Private Limited, Unit: GCM Commodity & Derivatives 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.
 - (i) Members can request for a Ballot Form at Purva Sharegistry (India) Private Limited, Unit: GCM Commodity & Derivatives 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.
21. 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.gcmcommo.com or on Stock Exchange websites, which are www.bseindia.com.



22. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
23. 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.

24. **The process for E-voting of Members is as follows:**

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to the members, facility to cast their votes at the 9th AGM electronically on all resolutions set forth in this Notice 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
- 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
- f) **Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change/ modify the vote subsequently.**

25. **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 during the voting period
- ii Click on "Shareholders" tab
- iii Now, select the GCM COMMODITY & DERIVATIVES 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 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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • 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. • 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.
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 COMMODITY & DERIVATIVES 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.co.in> 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.
- 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 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 under help section or write an email to helpdesk.evoting@cdslindia.com.

Place: Kolkata
Date: May 29, 2014

By order of the Board
For **GCM COMMODITY & DERIVATIVES LIMITED**

Registered Office:

3B, Lal Bazar Street, Sir R N M House
5th Floor, Kolkata 700001, West Bengal
CIN: U74999WB2005PLC102819

I. C. 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. Ranjit Kumar Modi, as Independent Directors, in accordance with the provisions of section 149 read with Schedule IV to the Act, to hold office for a term upto 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. Ranjit Kumar Modi 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. Ranjit Kumar Modi 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 31st March 2019
Mr. Amitabh Shukla	5 Years	Up to 31st March 2019
Mr. Ranjit Kumar Modi	5 Years	Up to 31st March 2019

In the opinion of the Board, Mr. Alok Kumar Das, Mr. Amitabh Shukla and Mr. Ranjit Kumar Modi fulfills 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. Ranjit Kumar Modi 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. Ranjit Kumar Modi 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.



Details of Director seeking re-appointment in the 9th Annual General Meeting on 19th September, 2014 (in term of Clause 52 of the SME Listing Agreement)

MANISH BAID	
Fathers' Name	Inder Chand Baid
Age	38 Years
Date of Appointment	26th April 2005
Expertise in specific functional areas	Financial & Income Tax related activities as well as expertise in Capital Market related activities.
Years of Experience	19 Years
Qualifications	B.Com., ACA
List of outside Directorship held in Public Limited Companies	<ol style="list-style-type: none"> 1. GCM Securities Limited 2. GCM Capital Advisors Limited 3. Silver Pearl Hospitality & Luxury Spaces Limited 4. Chello Comtrade Limited
Member of Committee on the Board	<ul style="list-style-type: none"> • Member of Investor Grievance Committee
Member/Chairman of Committee in other Companies	<ul style="list-style-type: none"> ❖ GCM Securities Limited <ul style="list-style-type: none"> • Member of Investor Grievance Committee ❖ GCM Capital Advisors Limited <ul style="list-style-type: none"> • Member of Investor Grievance Committee
No. of Shares held in own name or in the name of Relatives	1,40,000 Equity Shares or 1.885% of Paid –up Capital in own name and 5,30,000 Equity Shares or 7.137% of Paid –up capital in the name of relatives
AMITABH SHUKLA	
Fathers' Name	Late Rajendra Prasad Shukla
Age	52 Years
Date of Appointment	18th June, 2013
Expertise in specific functional areas	Corporate Law, Finance, Corporate Taxation, Company Laws, SEBI, ROC and other Legal areas
Years of Experience	30 Years
Qualifications	LLM (Advocate)
List of outside Directorship held in Public Limited Companies	<ol style="list-style-type: none"> 1. Global Capital Market & Infrastructures Limited 2. GCM Securities Limited
Member of Committee on the Board	Member of Investor Grievance Committee
Member/Chairman of Committee in other Companies	<ul style="list-style-type: none"> ❖ GCM Securities Limited <ul style="list-style-type: none"> • Member – Audit Committee • Chairman- Investor Grievance Committee ❖ Global Capital Market & Infrastructures Limited <ul style="list-style-type: none"> • Member- Audit Committee • Chairman- Investor Grievance Committee
No. of Shares held in own name or in the name of Relatives	Nil
ALOK KUMAR DAS	
Fathers' Name	Late Subinoy Das
Age	49 Years
Date of Appointment	18th June, 2013
Expertise in specific functional areas	Corporate Finance, Taxation, Company Laws
Years of Experience	27 Years



Qualifications	B. Com., FCA
List of outside Directorship held Public Limited Companies	<ol style="list-style-type: none"> 1. GCM Securities Limited 2. Global Capital Market & Infrastructures Limited 3. GCM Capital Advisors Limited 4. Silver Pearl Hospitality & Luxury Spaces Limited
Member/Chairman of Committee on the Board	Chairman –Investor Grievance Committee
Member/Chairman of Committee in other Companies	Member – Audit committee
No. of Shares held in own name or in the name of Relatives	<ul style="list-style-type: none"> ❖ Global Capital Markets & Infrastructures Limited <ul style="list-style-type: none"> • Chairman – Audit Committee • Member – Investor Grievance Committee ❖ GCM Securities Limited <ul style="list-style-type: none"> • Chairman – Audit Committee • Member- Investor Grievance Committee
	Nil

RANJIT KUMAR MODI

Fathers' Name	Shanker Prasad Modi
Age	42 Years
Date of Appointment	18th June, 2013
Expertise in specific functional areas	Finance, Corporate Taxation
Years of Experience	12 Years
Qualifications	F.C.A.
List of outside Directorship held Public Limited Companies	Lifeline Drugs and Pharma Limited
Member of Committee on the Board	Chairman- Audit Committee
Member/Chairman of Committee in other Companies	❖ Lifeline Drugs and Pharma Limited Member – Audit Committee and Investor Grievance Committee
No. of Shares held in own name or in the name of Relatives	Nil

Place: Kolkata
Date: May 29, 2014

By order of the Board
For **GCM COMMODITY & DERIVATIVES LIMITED**

Registered Office:

3B, Lal Bazar Street, Sir R N M House
5th Floor, Kolkata 700001, West Bengal
CIN: U74999WB2005PLC102819

I. C. BAID
(DIN : 00235263)
Chairman



DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in presenting the 9th Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2014.

(₹ in Lac)

Financial Results	Year Ended 31.03.2014	Year Ended 31.03.2013
Sales / Income from Operations	2633.75	1008.04
Profit before Tax & extraordinary item	8.94	16.58
Less : Provision for Taxation (includes prior period tax payments and deferred Tax)	6.27	6.41
Profit after Tax	2.67	10.17
Add : Profit brought forward from Previous Year	14.53	4.36
Balance carried forward	17.20	14.53

OVERVIEW OF ECONOMY

FY 2014 started with significant challenges inherited from the previous fiscal year and ended with positive expectations over the elections scenario. The Commodities broking which had turned out to be one of the brighter spots in the otherwise lackluster performance of the Indian brokerage industry over the last 2-3 years, ended FY14 as one of the disappointing year.

During the year, while being fairly broad-based, inflation remained stubbornly high around 9.5% on the consumer level. Persistent food inflation and high fuel inflation tracking several price hikes remained a major cause of worry. The RBI accordingly raised the Repo rate by a net 50bps to 8%.

The macro-level challenges remained during the Year without showing any improvement in the global sentiment, and hence, the demand and supply of commodities world came down.

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 actionables remain for the new government in order to realize higher and sustained economic growth.

OVERALL PERFORMANCE & OUTLOOK

The Business environment remains extremely challenging and the recessionary economic conditions leading to slowdown in demand and inflation pushed scale up of input costs left its adverse imprint on overall performance for 2013-2014.

The Sales / Gross Income from Operations stood at ₹ 2633.75 Lac in comparison to last years' figure of ₹ 1008.04 Lac. In term of Net Profit, the same was of ₹ 2.67 Lac in comparison to last years' net Profit of ₹ 10.16 Lac.

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**

During the year, the Company came out with an Initial Public Offering (IPO) of 35,10,000 Equity Shares of the face value of ₹ 10/- each, at a premium of ₹ 10/- per Equity Share, aggregating to ₹ 702.00 Lac on the SME Platform of BSE Limited in the month August, 2013.

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 August 14, 2013.

SUBSIDIARY COMPANY

The Company does not have any subsidiary.

MANAGEMENT DISCUSSION & ANALYSIS

As required by Clause 52 of the SME 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

During the year, Mr. Alok Kumar Das, Mr. Amitabh Shukla and Mr. Ranjit Kumar Modi were appointed as Non-Executive, Independent Directors of the Company for the terms of 5 Years, up to the conclusion of 14th Annual General Meeting.

Further, Mrs. Saroj Baid resigned from the directorship of the Company w.e.f. April 30, 2013 due to her personal commitments.

In accordance with the requirements of the Companies Act, 2013 and as per the provisions of Articles of Association of the Company, Mr. Manish Baid is liable to retire by rotation and being eligible, offers himself for re-appointment at the ensuing 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 is having membership of Commodity Exchange namely National Spot Exchange. Further, the Company is doing investment in commodities via said Exchange as well as doing the business of Investment in Shares & Securities. The brokerage business on said Exchange is not in operative now due to the freezing of Exchange activities as briefed here in below.

It is imperative to disclose the fact that the National Spot Exchange, the Exchange, of which the Company was having membership, has been suspended by FMC, the Regulatory Body for Commodity Exchange, due to alleged violation of Norms & Regulations and after the discovery of scam on said Exchange. Both EOW and FMC are looking to the matter.

Further, members are hereby informed that the Company was having exposure of Rs. 1611.98 Lac at the time when the operations of National Spot Exchange have been suspended by FMC. The Case have been filed by both FMC & Investors against National Spot Exchange to investigate the matter and to get back dues from said Exchange.

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 9th Annual General Meeting up to the conclusion of the 14th 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 having membership of Commodity Exchange namely National Spot Exchange. Further, the Company is doing investment in commodities via said Exchange as well as doing the business of Investment in Shares & Securities, 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 the SME 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 29, 2014

By order of the Board
For **GCM COMMODITY & DERIVATIVES LIMITED**

Registered Office:

3B, Lal Bazar Street, Sir R N M House
5th Floor, Kolkata 700001, West Bengal
CIN: U74999WB2005PLC102819

I. C. BAID
(DIN : 00235263)
Chairman



MANAGEMENT DISCUSSIONS & ANALYSIS

MACRO ECONOMIC ENVIRONMENT

Financial year 2013-14 (FY2014) was a difficult one for India's economy. Growth during 2012-13 (FY2013) was 4.5%. Thereafter, the first three quarters of FY2014 continued seeing low growth and the Central Statistical Organisation (CSO) has estimated full year growth for FY2014 at 4.9%.

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.

Notwithstanding an improvement in the global sentiment, FY14 continued to mark challenging times for the Indian economy.

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 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.

In the face of growing uncertainties in global financial conditions, monetary easing was paused in June 2013. However, there has been significant improvement in the external situation. With acceleration in the growth of exports and decline in imports, the trade deficit for 2013-14 (April-December) has narrowed considerably. Reduction in the trade deficit, complemented by a rise in net invisibles receipts, resulted in significant reduction in the current account deficit (CAD) in the first half (H1) of 2013-14. In response to these developments, and due to



steps undertaken to moderate the CAD, the exchange rate, that breached the level of 68 per US\$ in August 2013, recovered to 61.16 per US\$ on October 11, 2013. The exchange rate of the rupee averaged 61.91 per US\$ in December 2013.

On the fiscal front, the slowdown in growth affected tax collections and receipts from disinvestment of Public Sector Undertakings. However, the Government is on track to achieve the fiscal deficit to GDP target envisaged for 2013-14

REVIEW OF OPERATIONS

The Business environment remains extremely challenging and the recessionary economic conditions leading to slowdown in demand and inflation pushed scale up of input costs left its adverse imprint on overall performance for 2013-2014.

Sales / Gross Income from Operations for the year stood at ₹ 2663.75 Lac in comparison to last years' figure of ₹ 1008.04 Lac. In term of Net Profit, the same was of ₹ 2.67 Lac in comparison to last years' net Profit of ₹ 10.16 Lac.

BUSINESS SEGMENT

The Company is having membership of Commodity Exchange namely National Spot Exchange. Further, the Company is doing investment in commodities via said Exchange. The brokerage business on said Exchange is not in operative now due to the freezing of Exchange activities.

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 since its listing on BSE.

Place: Kolkata
Date: May 29, 2014

By order of the Board
For **GCM COMMODITY & DERIVATIVES LIMITED**

Registered Office:

3B, Lal Bazar Street, Sir R N M House
5th Floor, Kolkata 700001, West Bengal
CIN: U74999WB2005PLC102819

I. C. 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 Commodity & Derivatives 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, Remuneration Committee and Investors' Grievance 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 15 times on 9th April, 1st May, 21st May, 29th May, 30th May, 15th June, 18th June, 20th June, 9th July, 24th July, 12th August, 13th September, 13th November, 12th February and 14th March during the financial year 2013-2014.

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



Name	Designation	DIN	Date of Joining	Board Meetings Attended	Whether Attended AGM	Committee Membership in other Public Ltd. Cos.*	Committee Chairmanship in other Public Ltd. Cos.*	No. of Directorship in other Public Companies
I. C. Baid	Chairman	00235263	26 th April 2005	15	Yes	3	Nil	4
Samir Baid	Managing Director	00243521	26 th April 2005	15	Yes	1	Nil	4
Manish Baid	Non-Executive Director	00239347	26 th April 2005	15	Yes	2	Nil	4
Ranjit Kumar Modi	Independent Director	00636877	18 th June 2013	9	Yes	2	Nil	1
Amitabh Shukla	Independent Director	00978503	18 th June 2013	9	Yes	2	2	2
Alok Kumar Das	Independent Director	00243572	18 th June 2013	9	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 Commodity & Derivatives 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 the 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:



- a) to consider and recommend to the Board the investment guidelines for Capital and Money Market operations;
- b) 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 Audit Committee was constituted in the Meeting of Board of Directors held on June 18, 2013.



The members of Audit Committee met four times on 18th June, 12th August, 13th November and 12th February during financial year 2013- 2014.

COMPOSITION OF AUDIT COMMITTEE AND MEETINGS ATTENDED

Name	Number of Meetings Held	Meetings Attended
Mr. Ranjit Kumar Modi*	4	4
Mr. Inderchand Baid	4	4
Mr. Alok Kumar Das	4	4

*Chairman of Committee

REMUNERATION COMMITTEE

The Board at its meeting held on June 18, 2014 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 Remuneration Committee met four times on 18th June, 12th August, 13th November and 12th February during financial year 2013- 2014.

Name	Number of Meetings Held	Meetings Attended
Mr. Amitabh Shukla*	4	4
Mr. Ranjit Kumar Modi	4	4
Mr. Alok Kumar Das	4	4

*Chairman of Committee

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. Samir Baid, Managing Director, towards Directors' Remuneration for the financial Year ended on 31st 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 COMMITTEE

The Board of GCM Commodity & Derivatives Limited has constituted a Committee of Directors, which inter-alia also functions as "Shareholders/Investors" Grievance 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 Shareholders'/Grievances 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.

The Investor Grievance Committee was constituted in the Meeting of Board of Directors held on June 18, 2013.

COMPOSITION OF INVESTOR GRIEVANCE COMMITTEE AND MEETINGS ATTENDED

During the year, four meetings of the Investor Grievance Committee were held on 18th June, 12th August and on 13th November in year 2013 during financial and on 12th 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	Number of Meetings Held	Meetings Attended
Mr. Alok Kumar Das*	4	4
Mr. Amitabh Shukla	4	4
Mr. Manish Baid	4	4

*Chairman of Committee

COMPLIANCE OFFICER

During the year, Ms. Suman Makhija was appointed as the Company Secretary on May 21, 2013 and resigned on March 12, 2014. After her resignation, Mr. Nitish Vyas was appointed as a Company Secretary within the meaning of Listing Agreement.

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
8 th Annual General Meeting	18 th July 2013, 10.00 AM	3B, Lal Bazar Street, Sir R N M House 5th Floor, Kolkata 700001, West Bengal
7 th Annual General Meeting	29 th September 2012, 4.30 PM	3B, Lal Bazar Street, Sir R N M House 5th Floor, Kolkata 700001, West Bengal
6 th Annual General Meeting	30 th September 2011, 4.30 PM	3B, Lal Bazar Street, Sir R N M House 5th Floor, Kolkata 700001, West Bengal

LOCATION AND TIME OF EXTRA-ORDINARY GENERAL MEETINGS:

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

During Financial Year 2013-2014, an Extra Ordinary General Meeting (EOGM) was held on 1st day of April 2013 at 11.00 AM at Registered Office of the Company for conversion of status of Company from Private Limited to Public Limited Company and the name of the Company be accordingly altered changed from GCM COMMODITY & DERIVATIVES PRIVATE LIMITED to GCM COMMODITY & DERIVATIVES LIMITED.

Extra Ordinary General Meeting (EOGM) was held during the financial year, on May 22, 2013 at 11.00 AM at Registered Office of the Company for increase in borrowing powers and Appointment of Mr. Samir Baid as Managing Director of the Company. The Authorised Capital of the Company has also been increased from 4.00 Crore to 8.00 Crore.

Extra Ordinary General Meeting (EOGM) was held during the financial year, on June 18, 2013 at 5.00 PM at Registered Office of the Company for appointment of Mr. Alok Kumar Das, Mr. Amitabh Shukla and Mr. Ranjit Kumar Modi as an independent director of the Company. The proposal relating to Further issue upto 40,00 000 Equity shares of face value of Rs. 10/- each



through IPO was passed at a premium of ₹ 10/- each.

Extra Ordinary General Meeting (EOGM) was held during the financial year on October 9, 2013 at 10.00 AM at Registered Office of the Company to utilize the proceeds of the IPO for entering into and fulfilling the Working Capital requirements for following business activities in the manner as deemed fit and convenient in the course of conduct of the business:

- a) To acquire the Membership of Multi Commodity Exchange of India Limited(MCX) for enhancing Business of Commodity Broking.
- b) To acquire the Membership of National Commodity & Derivatives Exchange Ltd (NCDEX.)
- c) To Trade, Invest and/or do Arbitrage Activities in Gold, Silver and other precious metals in manner, mode and through mediums as available from time to time.
- d) To Trade, Invest and/or do Arbitrage Activities in various Agri as well as Non-Agri Commodities in manner, mode and through medium as convenient and available from time to time.

There were no EOGM held during remaining two years out of last three financial years.

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 during 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 the SME 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 during financial year 2014-2015.

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.

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.

FILING OF PROSPETUS WITH EQUITY MARKET REGULATORS

During the year, the Company has filed Prospectus with SEBI and Stock Exchange viz. BSE and has received approval letters from both the Regulatory Bodies.

COMPANY'S ENTERANCE INTO THE CAPITAL MARKET VIA BSE SME IPO

During the year the Company has proposed to issue and allot 35.10 Lac Equity Shares at a price of ₹ 20/- per Equity Share, including a Share Premium of ₹ 10/- per Equity Share and has been kept open from August 1, 2013 to August 5, 2013. The Company has received 373 applications for 51,84,000 Equity Shares resulting in 1.48 times subscription. The Allotment was made by Company on 12th August, 2013 and listed on August 14, 2013.

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 the SME 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.gcmcommo.com.
- Official News releases have been posted on its web portal www.gcmcommo.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.gcmcommo.com and also on BSE website 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 9th Annual General Meeting for the financial year ended on 31st March 2014 is as follows :-

Day & Date	: Friday, September 19, 2014
Time	: 9.30 A.M.



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

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

c. Future Calendar :

Particulars	Date
Financial Reporting of 1 st Half Year ended on 30 th September, 2014	Mid of November, 2014
Financial Reporting of 2 nd Half Year / Year ended on 31 st 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 (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 535917 on BSE,
ISIN : INE200P01016 on both NSDL & CDSL

i. Market Price Data (From August 2013, i.e. month of Listing) :

Month	Price on BSE (₹) & from the Volume			S&P BSE Sensex	
	High	Low	Volume	High	Low
August 2013	21.25	12.00	846,000	19569.20	17448.71
September 2013	14.60	10.15	300,000	20739.69	18166.17
October 2013	13.50	11.00	132,000	21205.44	19264.72
November 2013	12.00	10.70	60,000	21321.53	20137.67
December 2013	13.90	12.00	36,000	21483.74	20568.70
January 2014	11.50	11.50	6,000	21409.66	20343.78
February 2014	13.20	7.90	54,000	21140.51	19963.12
March 2014	10.80	7.55	486,000	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 Shareregistry (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, Email : purvashr@mtnl.net.in

k. Share Transfer Systems

The Share transfer is processed by the Registrar & Share Transfer Agent, Purva Shareregistry (India) Pvt. Ltd. and approved by Share Transfer Committee, if the documents are complete in all respects, within 21 days from the date of lodgment.



I. 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
5001-10000	1	0.28	999	0.01
10001 - 20000	-	-	-	-
20001 - 30000	-	-	-	-
30001 - 40000	-	-	-	-
40001 - 50000	-	-	-	-
50001 – 100000	295	82.63	1769001	23.82
100001 and above	61	17.93	5657000	76.17
Total	357	100.00	7427000	100.00

m. Shareholding Pattern as on 31st March 2014

Categories	No. of Shares	% of Shareholding
Promoters, Directors, Relatives & Person acting in concert	3917000	52.74
Indian Bank	0	0.00
Hindu Undivided Family (HUF)	282000	3.80
Private Corporate Bodies	1213014	16.33
Indian Public	2002986	26.97
Clearing Member	6000	0.08
Market Maker	6000	0.08
Total	7427000	100.00

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	277	77.59	2002986	26.97
Promoters	7	1.96	3917000	52.74
Market Maker	1	0.28	6000	0.08
Hindu Un-divided Families	45	12.61	282000	3.80
Corporate Bodies	26	7.28	1213014	16.33
Clearing Member	1	0.28	6000	0.08
Total	357	100.00	7427000	100.00

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 21 days from the date of issue of Shares.

As on 31st March 2014, 100.00% 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 facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination form SH-13 ([Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014] can be obtained from the Company's Registrar and Share Transfer Agent. It is also available on Public domain.

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. 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 is sending notices/documents such as Annual Reports and notices by email to the shareholders who have registered their email address with DP/RTA. 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 Sharegistry (India) Pvt. Ltd.

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 Sharegistry (India) Pvt. Ltd. to their dedicated e-mail id i.e., purvashr@mtnl.net.in.

While every notice/document will be sent through email address registered with the Company/RTA/DP, 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.

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

Particulars of Utilization	Amount (₹ in Lac)
Investment in Shares, Securities & Mutual Funds	99.00
Lying with Scheduled Banks in form of FDR	547.70
Utilized in ordinary course of business	55.30
Total	702.00

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

Not Applicable.

v. Investors' Correspondence

Shareholders can contact the following Officials for secretarial matters of the Company :-
Mr. Nitish Vyas - info@gcmcommo.com

w. 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.

x. Address for Correspondence

GCM COMMODITY & DERIVATIVES LIMITED

805, Raheja Centre, Free Press Journal Marg,
Nariman Point, Mumbai – 400 021;
Tel: +91 22 3023 5727, Fax: +91 22 3020 1364
Email : info@gcmcommo.com
URL : www.gcmcommo.com
CIN: U74999WB2005PLC102819



CHAIRMAN & MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT

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

To the Members of

GCM COMMODITY & DERIVATIVES 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.

Kolkata,
May 29, 2014

By order of the Board
For GCM Commodity & Derivatives Limited
S/d-
I. C. BAID
(DIN : 00235263)
Chairman

ANNUAL CERTIFICATE UNDER CLAUSE 52 OF THE SME LISTING AGREEMENT WITH THE STOCK EXCHANGES

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

Kolkata,
May 29, 2014

By order of the Board
For GCM Commodity & Derivatives Limited
S/d-
I. C. BAID
(DIN : 00235263) Chairman



SECRETARIAL COMPLIANCE REPORT

The Board of Directors,

M/s. GCM Commodity & Derivatives Limited

We have examined the registers, records, books and papers of M/s. GCM Commodity & Derivatives 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 31st 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 returns, 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 remuneration to Mr. Samir Baid, 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 35.10 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 31st 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 altered its Memorandum of Association and Articles of Association with respect to the Share Capital of the Company and has increased Authorized Capital from ₹ 4.00 Crore to ₹ 8.00 Crore.
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 29, 2014

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

**Annexure "A"**

Name of the Company : GCM Commodity & Derivatives Limited
 CIN : U74999WB2005PLC102819
 Financial Year ended : 31st 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 31st 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 st March 2012	220	Annual Requirement	Yes	N.A.
2.	Form 20B for the Financial Year ended 31 st March 2012	159	Annual Requirement	Yes	N.A.
3.	Form 66	383A & Rule 3(2)	Annual Compliance Certificate	Yes	N.A.
4.	Form 23	192	Registration of Resolutions	Yes	N.A.
5.	Form 5	95, 97	Increase in Authorized Capital	Yes	N.A.
6.	Form 2	75(1)	Return of Allotment	Yes	N.A.
7.	Form 32	257, 383(A)	Appointment and Resignation of Director/ Company Secretary	Yes	N.A.

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 29, 2014

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



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of GCM Commodity & Derivatives Limited

We have examined the compliance of the conditions of Corporate Governance by GCM Commodity & Derivatives Limited (The Company) for the year ended 31st March 2014 as stipulated in Clause 52 of the 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 29, 2014

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



INDEPENDENT AUDITORS' REPORT

To the Members of GCM COMMODITY & DERIVATIVES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of the **GCM COMMODITY & DERIVATIVES 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

The Company's 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 notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. 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.

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - (e) On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Place : Kolkata
Date : May 29, 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)

1. 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.
2. 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.
3. 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.
4. 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.
5. 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.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of the business.
8. 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.
9. 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.
10. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



11. The Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
12. 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.
13. In respect of dealing in shares, securities and other investments, in our opinion and according to the information and explanation given to us, 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.
14. 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.
15. 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.
16. No fraud on or by the Company has been noticed or reported during the course of our audit.
17. 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 29, 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
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	74,270,000	39,170,000
Reserves and Surplus	2.2	90,335,103	54,968,007
		164,605,103	94,138,007
Non-Current Liabilities			
Deferred Tax Liabilities (Net)	2.3	100,410	116,254
		100,410	116,254
Current Liabilities			
Other Current Liabilities	2.4	117,283,436	8,000
Short-Term Provisions	2.5	406,143	714,922
		117,689,579	722,922
TOTAL		282,395,092	94,977,183
ASSETS			
Non-Current Assets			
Fixed Asset			
Tangible Assets	2.6	37,932,814	37,769,474
Non-Current Investments	2.7	9,900,000	-
		47,832,814	37,769,474
Current Assets			
Inventories	2.8	4,859,771	555,883
Trade Receivables	2.9	161,265,421	51,907,943
Short Term Loans & Advances	2.10	5,776,000	4,624,000
Cash and Cash Equivalents	2.11	61,906,602	119,883
Other Current Assets	2.12	754,484	-
		234,562,278	57,207,709
TOTAL		282,395,092	94,977,183

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

1 & 2

As per our report of even date

For and on behalf of the Board of

For Bharat D. Sarawgee & Co.

Chartered Accountants

Firms Registration Number: 326264E

Bharat D. Sarawgee

Partner

Membership Number: 061505

Samir Baid

DIN : 00243521

Director

Manish Baid

DIN : 00239347

Director

Place: Kolkata

Dated: 29th May, 2014



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

Particulars	Note	Amount in ₹	
		Year ended March 31st 2014	Year ended March 31st 2013
INCOME			
Revenue From Operations	2.13	260,042,980	100,394,212
Other Income	2.14	3,332,428	409,963
Total Revenue		263,375,408	100,804,175
EXPENDITURE			
Change in Inventory		(4,303,888)	-
Purchase of Stock in Trade		260,772,733	97,944,246
Employees Benefit Expenses	2.15	1,296,948	378,500
Finance Cost	2.16	702	387
Depreciation and Amortization Expenses	2.6	390,891	499,268
Other Expenses	2.17	4,323,095	323,845
Total Expenses		262,480,481	99,146,246
Profit Before tax		894,927	1,657,929
Tax Expenses:			
Current Tax		643,675	573,027
Deferred Tax		(15,844)	(195,164)
Prior Period Tax Payment (Adjusted)		-	263,582
Profit for the year		267,096	1,016,484
Earning per Equity Share of face value of ₹ 10/- each			
Basic (in ₹)	2.18	0.04	0.26
Diluted (in ₹)		0.04	0.26

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

Bharat D. Sarawgee
 Partner
 Membership Number: 061505

Samir Baid
 DIN : 00243521
 Director

Manish Baid
 DIN : 00239347
 Director

Place: Kolkata
 Dated: 29th 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
A. Cash Flow from Operating Activities			
Net Profit before tax and extraordinary Items		894,927	1,657,929
Profit / (Loss) on Sale of Fixed Assets		(13,279)	(13,279)
Depreciation		390,891	499,268
Operating profit before working capital charges	I	1,272,539	2,143,918
Decrease (Increase) in Trade and other Receivables		(109,357,478)	(46,652,126)
Decrease (Increase) in inventories		(4,303,888)	32,413,415
Decrease (Increase) in Short term Loan & Advances		(397,516)	(3,877,185)
Decrease (Increase) in Trade Payable & Provisions		115,699,989	407,712
Decrease (Increase) in Fixed Deposits		-	-
Cash Generated From Operations	II	1,641,107	(17,708,184)
Net Cash From Operating Activities	I+II	2,913,646	(15,564,266)
Direct Taxes Paid (Net of refunds)	III	(632,930)	(182,766)
Cash Flow before Extra-Ordinary Items	I+II+III	2,280,716	(15,747,032)
Extra Ordinary Items			
Net Cash Flow From Operating Activities [I + II + III]	A	2,280,716	(15,747,032)
B. Cash Flow from Investing Activities			
Purchase / (Sale) of Fixed Assets		(554,231)	(36,770,766)
Decrease / (Increase) in Investments		(9,900,000)	-
Net Cash from Investing Activities	B	(10,454,231)	(36,770,766)
C. Cash Flow From Financing Activities			
Proceeds from Preferential Issue		70,200,000	52,510,000
Net Cash used in Financing Activities	C	70,200,000	52,510,000
D. Net Increase in Cash & Cash Equivalents	D	62,026,485	(7,800)
Opening Balance of Cash & Cash Equivalents		119,883	127,683
E. Closing Balance of Cash & Cash Equivalents		61,906,602	119,883

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: 29th May, 2014

For and on behalf of the Board of

Samir Baid

DIN : 00243521

Director

Manish Baid

DIN : 00239347

Director



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
Authorised Share Capital		
80,00,000 (40,00,000) Equity Shares of ₹ 10/- each	80,000,000	40,000,000
	80,000,000	40,000,000
Issued, Subscribed and Paid-up		
74,27,000 (3917000) Equity shares of ₹ 10/- each fully paid- up	74,270,000	39,170,000
	74,270,000	39,170,000
Reconciliation of the number of shares outstanding		
Number of shares at the beginning	3,917,000	1,291,500
Add : Shares issued during the year	3,510,000	2,625,500
Number of shares at the end of the Year	7,427,000	3,917,000

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

Name of the shareholder	As at March 31, 2014		As at March 31, 2013	
Share Holders Name	%	No.of Shares	%	No.of Shares
1. GCM Securities Ltd.	35.35	2,625,500	67.03	2,625,500
2. Global Capital Market	8.07	600,000	-	-
3. Petunia Trades Pvt. Ltd.	5.49	408,000	-	-

b. 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
Note 2.2 RESERVES AND SURPLUS		
Share Premium Reserve		
Opening Balance	53,515,000	27,260,000
Addition during the year	35,100,000	26,255,000
Closing balance	88,615,000	53,515,000
Profit & Loss Account		
Opening Balance	1,453,007	436,522
Add: Profit for the year	267,096	1,016,485
Closing Balance	1,720,103	1,453,007
TOTAL	90,335,103	54,968,007
NOTE 2.3 DEFERRED TAX LIABILITY		
Differed Tax Liabilities (Net)	100,410	116,254
	100,410	116,254
CURRENT LIABILITIES		
NOTE 2.4 OTHER CURRENT LIABILITIES		
Client Dues	117,140,268	-
Audit Fees	28,168	8,000
Rent Payable	115,000	-
	117,283,436	8,000
Note 2.5 Short Term Provisions		
Provision For Taxation (Net)	406,143	714,922
	406,143	714,922



NOTE 2.6

FIXED ASSETS

Tangible Assets

DESCRIPTION	GROSS BLOCK						DEPRECIATION			NET BLOCK	
	AS AT 01-04-2013	ADDITIONS	SALES	AS AT 31-03-2014	AS AT 01-04-2013	Adjusted	FOR THE 31-03-2014	UPTO 31-03-2014	AS AT 31-03-2014	AS AT 31-03-2013	
	01-04-2013			31-03-2014	01-04-2013		31-03-2014	31-03-2014	31-03-2014	31-03-2013	
TANGIBLE ASSETS											
Air Conditioner		35,188	-	35,188	-		4,184	4,184	31,004		
Computers	2,303,574	117,653	-	2,421,227	1,554,671		333,693	1,888,364	532,863	748,903	
Office Equipment		357,500	-	357,500	-		46,050	46,050	311,450		
Furniture & Fixture		43,890	-	43,890	-		6,965	6,965	36,925		
Flat											
				37,020,571					37,020,571	37,020,571	
Total	39,324,145	554,231	-	39,878,376	1,554,671	-	390,891	1,945,562	37,932,814	37,769,474	
PREVIOUS YEAR	56,89,673	37,020,571	3,386,099	393,24,145	3,91,027	28,54,872	499,268	15,54,671	377,69,474	17,79,398	



NOTE: 2.7
DETAILS OF INVENTORIES

A	Particulars	As at 31st March 2014		As at 31st March 2013	
		Quantity Nos.	Value ₹	Quantity Nos.	Value ₹
	QUOTED				
1	Tata Steel Ltd.	500	156,150	500	156,150
2	Tuni Textile Mills Ltd.	6,897	8,621	6,897	129,733
	UNQUOTED				
1	Kathakali Vincom Pvt. Ltd.	-	-	540	270,000
2	Larica Trading Pvt. Ltd.	7,990	3,995,000	-	-
3	Swapanpuri Tradelink Pvt. Ltd.	1,400	700,000	-	-
	TOTAL	16,787	4,859,771	7,937	555,883

NOTE: 2.8
DETAILS OF INVESTMENT

A	Particulars	As at 31st March 2014		As at 31st March 2013	
		Quantity Nos.	Value ₹	Quantity Nos.	Value ₹
	UNQUOTED				
1	GCM Capital Advisors Ltd.	497,500	9,900,000	-	-
	TOTAL	497,500	9,900,000	-	-

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 2.9 TRADE RECEIVABLES		
More than six months		
National Spot Exchange Ltd.	161,198,421	-
Others	67,000	51,907,943
	161,265,421	51,907,943
NOTE 2.10 SHORT TERM LOANS & ADVANCES		
Advances Recoverable in cash or for value to be received	4,324,000	4,324,000
Deposits With Exchanges	1,452,000	300,000
	5,776,000	4,624,000
NOTE 2.11 CASH & CASH EQUIVALENTS		
Cash-in-hand (As certified by the Directors)	4,537,417	102,739
With Scheduled Bank	2,499,185	17,144
Fixed Deposits With Scheduled Banks (Matured Within One Year)	54,870,000	-
	61,906,602	119,883
NOTE 2.12 OTHER CURRENT ASSETS		
Accrued Interest	677,955	-
Service Tax Receivable	76,529	-
	754,484	-



Particulars	As at March 31, 2014	As at March 31, 2013
Note 2.13 OPERATING INCOME		
Sale of Commodity	223,252,146	99,706,493
Commodity Brocorage	515,834	-
Sale of Shares	36,275,000	687,719
	260,042,980	100,394,212
Note 2.14 Other Income		
Interest on Fixed Deposit	3,320,936	390,684
Profit on Sale of Fixed Assets	-	13,279
Misc. Income	7,132	-
Dividend	4,360	6,000
	3,332,428	409,963
NOTE 2.15 EMPLOYEES BENEFIT EXPENSES		
Salary Bonus & Allowances	917,510	345,600
Staff Welfare	379,438	32,900
	1,296,948	378,500
Note 2.16 FINANCE COST		
Bank Charges	702	387
	702	387
Note 2.17 OTHER EXPENSES		
Auditors Remuneration	28,090	16,428
Advertisements -News Paper	126,770	-
Exchange Fees	763,090	-
CDSL Fee	74,219	-
Electricity Charges	86,979	-
Director Sitting Fee	-	3,000
Filling fees	357,298	5,000
General Charges	93,674	35,000
IPO Expenses	1,426,559	-
Legal & Professional Fee	212,616	-
NSDL Fees	47,867	-
Office rent	115,000	115,500
Postal & Courier Charges	55,053	12,700
Printing & Stationery	458,218	2,809
Repair & Maintenance	280,372	7,500
Rates & Taxes - Others	-	12,500
Telephone, Mobile & Internet Charges	67,170	-
Travelling & Conveyance Expenses	130,120	17,850
Preliminary Expenses W'off	-	95,558
TOTAL	4,323,095	323,845
NOTE 2.18		
Earning Per Share		
Profit/ (Loss) after Tax	267,096	1,016,484
Weighted Average Number of Equity Shares outstanding during the year	7,427,000	3,917,000
Face Value of Equity Shares	10.00	10.00
Basic Earning per share	0.04	0.26
Diluted Earning per share	0.04	0.26

NOTE 2.19

The Company has initiated legal proceeding against National Spot Exchange Limited through BSE Brokers' Forum and is also a member of National Spot Exchange Investor Forum. The total amount



receivable from National Spot Exchange Limited on account of settlement dues in Rs.1611.98 Lacs which includes both Client Fund and Self Fund.

NOTE 2.20

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. 2.21

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 ₹ 15,844/- during the year arising due to timing difference in depreciation & related items has been credited to Profit & Loss account.

NOTE. 2.27

Related Party Disclosure: 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) GCM Securities Limited
- 2) Global Capital Market & Infrastructures Ltd.
- 3) Chello Comotrade Pvt. Ltd.
- 4) Cadillac Vanijya Pvt. Ltd,
- 5) Silver Pearl Commercial Pvt. Ltd.
- 6) GCM Capital Advisors Ltd.

Details of Remuneration to Directors : Nil

Amount Paid to relative of director : Nil

NOTE 2.24 SEGMENT REPORTING

The company operates in Trading activity of Commodity and Shares which is only identifiable reporting segment under AS-17 Segment Reporting issued by the Institute of Chartered Accountants of India.

NOTE 2.25

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

For and on behalf of the Board of

For Bharat D. Sarawgee & Co.

Chartered Accountants

Firms Registration Number 326264E

Bharat D. Sarawgee

Partner

Membership Number: 061505

Place: Kolkata

Dated: 29th May 2014

Samir Baid

DIN : 00243521

Director

Manish Baid

DIN : 00239347

Director

GCM COMMODITY & DERIVATIVES LIMITED

3B, Lal Bazar Street, Sir R N M House, 5th Floor, Kolkata 700001, West Bengal
CIN: U74999WB2005PLC102819

PROXY FORM CUM 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 Commodity & Derivatives 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 9th Annual General Meeting of the Company, to be held on Friday, 19th September 2014 at 9.30 AM 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.	To appoint Mr. Manish Baid who retires by rotation and being eligible offers himself for re-appointment		
3.	Appointment of M/s. Bharat D. Sarawgee & Co., Chartered Accountants for a term of five years		
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. Ranjit Kumar Modi 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 COMMODITY & DERIVATIVES LIMITED

3B, Lal Bazar Street, Sir R N M House, 5th Floor, Kolkata 700001, West Bengal
CIN: U74999WB2005PLC102819

ATTENDANCE SLIP

I hereby record my presence at the 9th Annual General Meeting of the Company held on Friday, September 19, 2014 at 9.30 A.M., at Registered Office of the Company at 3B, Lal Bazar Street, Sir R N M House, 5th Floor, Kolkata 700001, West Bengal.

Name of Shareholder/s _____

Father/Husband's Name _____

Name of Proxy or Company Representative _____

DP ID and Client ID _____ No. of Shares held _____

Signature of the Shareholder(s) or Proxy or Company Representative _____

BOOK-POST

If undelivered, please return to:

GCM COMMODITY & DERIVATIVES LIMITED

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