

DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting the 24th ANNUAL REPORT on the business and operations of your company along with the Audited Financial Statements for the year ended 31st March 2019. The Consolidated Financials of the Company and its Associate Company have been referred.

1. FINANCIAL HIGHLIGHTS

The Financial Results for the year ended 31st March 2019

Particulars	Standalone	
	31/03/2019	31/03/2018
Operating Revenue	419.13	471.96
Other income	81.47	141.14
Profit/(Loss) before depreciation & tax	(505.36)	19.48
Depreciation	7.89	7.94
Profit/(Loss) before tax	(513.25)	11.53
Provision for tax	3.61	3.49
Profit/(Loss) after tax	(509.65)	8.05
Other Comprehensive Income	54.24	16.80
Total Comprehensive Income for the period	563.89	24.85

2. BUSINESS & PERFORMANCE

During the year under review, the Company has made Loss of Rs. 509.65 lacs, against Profit of Rs. 11.53 lacs in the last financial year. The total comprehensive income/(Loss) of the company for the year under review is Rs. (563.89) lacs against comprehensive income / profit of Rs. 24.85 lacs in the last financial year.

3. SHARE CAPITAL

The paid-up Equity Share Capital as on March 31, 2018 was Rs. 18.99 crore. No additions and alterations to the capital were made during the financial year 2018-19

4. DIVIDEND

The Directors have not recommended any dividend for the financial year 2018-19.

Transfer of Unclaimed / Unpaid amounts to the Investor Education and Protection Fund ("IEPF")

Pursuant to Section 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956 all unclaimed / unpaid dividend as applicable remaining unclaimed / unpaid for a period of seven years from the date they became due for payment, were required to be transferred to IEPF. Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), both of which were applicable with effect from 7th September 2016, also contain similar provision for transfer of such amounts to the IEPF. Accordingly, all unclaimed /unpaid dividend for a period of seven years from the date they became due for payment, in relation to the company have been transferred to the IEPF established by the Central Government. No claim shall be entertained against the company for the amounts so transferred.

5. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has duly complied with the provision of Section 186 of the Companies Act, 2013 and Rules made thereunder. Details on loans or investment are mentioned in financial statements of this Annual Report. The Company has neither granted any loans to any of the corporate nor given any guarantees to anybody corporate on behalf of a third party.

6. MATERIAL EVENT RECORDED SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There are no material changes and commitments affecting the financial position of the Company, which has occurred between the end of the financial year of the Company i.e. March 31, 2019 and the date of the Directors' Report.

7. DEPOSITS

Your Company has not accepted any deposits from the public during the year under review. There are no outstanding deposits as on 31st March 2019.

8. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

During the financial year 2018-19, there is no materially significant related party transaction with the Company's promoters, directors, the management or their relatives, which may have potential conflict with the interest of the Company at large. The Company has also formulated a policy on dealing with the Related Party Transactions (including for material related party transactions) and necessary approval of the Audit Committee and Board of Directors were taken, wherever required in accordance with the Policy. The details of such policies for dealing with all related party transactions are disseminated on the website of the Company <https://www.gcmsecuritiesltd.com>.

In compliance with section 188(1) of the Companies Act, 2013, particulars of contracts or arrangements with related parties is separately enclosed in Form AOC-2. Further, details of Related Party Transactions as required to be disclosed as per Indian Accounting Standard 24 "Related Party Disclosures" specified under section 133 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

9. SUBSIDIARY/ASSOCIATE COMPANIES

The Company does not have any subsidiary within the meaning of section 2(87) of the Companies Act 2013.

However, there are two associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). Further there has been no material change in the nature of business of the Associate companies. Shareholders interested in obtaining a copy of the audited annual accounts of the Associate company may write to the Company Secretary.

Performance and financial position of the Associate companies is given in Annexure-I.

10. CORPORATE GOVERNANCE REPORT, MANAGEMENT DISCUSSION & ANALYSIS AND OTHER INFORMATION REQUIRED UNDER THE COMPANIES ACT, 2013 AND SEBI (LODR) REGULATIONS 2015

As per SEBI circular no. SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015 No. SEBI/LAD-NRO/GN/2015-16/013 dated September 02, 2015 Company's paid up capital is less than Rs. 10 Crores and Net Worth is also less than Rs. 25 Crore or Company listed on SME Platform Company was not required to comply with the norms of the corporate Governance.

Since the Company was listed on SME Exchange only as on Financial Year ending 31st March 2019, therefore the provisions relation to Corporate Governance are not applicable to the Company. However, Company adheres to the best of the corporate governance policies as may be possible.

As per provisions of the SEBI (LODR) Regulations 2015, Management Discussion and Analysis report and Corporate Governance Report with Auditors' certificate thereon are attached Separately and form part of this report.

11. EXTRACT OF ANNUAL RETURN

Pursuant to provisions of Section 134(3) (a) of the Companies act, 2013, extract of the Annual Return for the financial year ended 31st March, 2017 made under the provisions of Section 92(3) of the Act is attached as Annexure

**12. AUDITORS
STATUTORY AUDITORS**

M/s Maheshwari & Co., Chartered Accountants, bearing Registration No. 105834W have been appointed on the recommendation of Audit Committee and Board of Director's (in conformity with the provisions of sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (includes amendments thereto), as the Statutory Auditors of the Company for a period of 5 years from the conclusion of the 23rd AGM (for FY 2018-19) till the conclusion of the 27th AGM (for FY 2022-23).

During the year under review, the Auditors had not reported any matter under section 143 (12) of the Act, therefore no details are required to be disclosed under section 134 (3)(ca) of the Act. The Auditors' Report is unmodified and does not contain any qualification, reservation, adverse remark or disclaimer.

The Board has placed on record its sincere appreciation for the services rendered by M/s Maheshwari & Co., as Statutory Auditors of the Company

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. Kriti Daga, Practising Company Secretaries, (CP No.14023, ACS:26425), Company Secretaries to undertake the secretarial audit of the company for the financial year ended 31st March 2019 (FY 2018-19). The Secretarial Audit Report is annexed herewith as 'Annexure V'.

The Board of Directors affirm that the Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India (SS1 and SS2) respectively relating to Meetings of the Board, its Committees and the General Meetings.

INTERNAL AUDITORS

All the investments related activities are done under the direct supervision of the Chairman of our company. As per the provisions of the Companies Act, 2013 the company has appointed M/s. A.K. Das & Co., Chartered Accountants, Kolkata as an Internal Auditor for the company for the financial year 2018-19.

The Company proposes to continue their services and appoint M/s. A.K. Das & Co., Chartered Accountants, Kolkata as an Internal Auditor for the financial year 2019-20, to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors and the Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which need to be mentioned in this Report.

13. AUDIT COMMITTEE

The Company has an Audit Committee in accordance with the provisions of section 177 of the Companies Act, 2013 and in accordance with Regulation 18 of SEBI (LODR) Regulations, 2015 and as per other applicable laws. All members of the Committee are financially literate. The scope of the activities of the Audit Committee is as set out in Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and read with section 177 of the Companies Act, 2013 and other applicable laws are approved by Board of Directors of the Company.

The composition of the Audit committee and the details of meetings attended by the Directors are provided in Annexure of this Annual Report.

14. E-Voting

To widen the participation of shareholders in Company's decisions pursuant to provisions of Section 108 of Companies Act, 2013 read with Rule 20 of The Companies (Management and Administration) Rules, 2014 as amended and in terms of Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015, the Company has provided e-voting facility to its members, in respect of all member's resolutions to be passed at General Meeting(s) of the Company. The Company is providing this facility to enable them to cast their votes electronically on all resolutions set forth in the Notice. The instruction(s) for e-voting for ensuing Annual General Meeting is provided with Notice to members of this Annual Report. The Company has signed necessary agreements with National Securities Depository Limited and Central Depository Services Limited to facilitate e-voting for members approval in their general meetings or through postal ballots.

15. MANAGEMENT

There was no change in Management of the Company during the year under review. Further none of the Directors of the Company are disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

16. DIRECTORS

There is some change in composition of Board during the Financial Year under review which is specified below. All Independence Director have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of SEBI (LODR) Regulations, 2015. Further none of the Directors of the company are disqualified under sub-Section (2) of Section 164 of the Companies Act, 2013.

17. 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.

18. DETAILS OF DIRECTORS/KMP APPOINTED AND RESIGNED DURING THE YEAR

Sr. No.	Name	Designation	Date of Appointment	Date of Resignation/Cessation
1	Amitabh Shukla	Independent Director	-	July 10, 2018
2	Mahavir Prasad Saraswat	Independent Director	July 10, 2018	-
3	Pooja Bhartia	Company Secretary	-	March 18, 2019

19. EVALUATION OF DIRECTORS BY INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 30th March 2019, inter alia to:

- Review the performance of non-independent directors and the Board as a whole
- Review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors
- Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties

20. STATEMENT ON DECLARATION "CERTIFICATE OF INDEPENDENCE" U/S 149 (6) FROM INDEPENDENT DIRECTOR

The Board has independent directors and there is appropriate balance of skills, experience and knowledge in the Board to enable the Board to discharge its functions and duties effectively. The Independent Directors have submitted disclosure that they meet the criteria of independence as provided under Section 149(6) of Companies Act, 2013 and SEBI Regulations

21. BOARD EVALUATION

Pursuant to the provisions of companies Act, 2013 and of the Listing Agreement, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder committee.

22. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The policies and procedures adopted by your Company take into account the design, implementation and maintenance of adequate internal financial controls, keeping in view the size and nature of the business. The internal financial controls ensure the orderly and efficient conduct of its business. The controls encompass safeguarding of your Company's assets, strict adherence to policies, and prevention and detection of frauds and errors against any unauthorized use or disposition of assets and misappropriation of funds. These controls help to keep a check on the accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. The Audit Committee ensures that all procedures are properly authorized, documented, described and monitored. Your Company has in place strong internal audit processes and systems which design an annual audit plan to ensure optimum portfolio quality and keep risks at bay.

The Audit Committee of the Board of Directors, comprising of independent directors, periodically reviews the internal audit reports, covering findings, adequacy of internal controls, and ensure compliances. The Audit

Committee also meets the Company's Statutory Auditors to ascertain their views on the financial statements, including the financial reporting system, compliance to accounting policies and procedures, adequacy and effectiveness of the internal controls and systems followed by the Company

23. 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 the Companies Act, 2013 is reported to be NIL

24. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON-EXECUTIVE DIRECTORS

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

25. INFORMATION ON MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

There is no material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

26. POLICY OF DIRECTORS' APPOINTMENT AND REMUNERATION

The Nomination and Remuneration Committee has laid down the criteria for Directors Appointment and Remuneration including criteria for determining qualification, positive attributes and Independence of Director. The following attribute/criteria for selection have been laid by the board on the recommendation of committee:

1. The candidate should possess the positive attributes such as leadership, entrepreneurship or such other attributes which in the opinion of the committee are in the interest of the Company
2. The candidate should be free from any disqualification as provided under sections 164 and 167 of Companies Act, 2013
3. The candidate should meet the conditions of being independent as stipulated under the companies act, 2013
4. The appointment or re- appointment of a Director is made pursuant to an established procedure which includes assessment of managerial skills, professional behaviour, technical skills and other requirements as may be required by the post.
5. The Executive and Whole-time Directors of the Company are paid remuneration as per their terms and conditions which are approved by the Board after taking into consideration the recommendations made by Nomination and Remuneration Committee.

Further, information about elements of remuneration package of individual directors is provided in the extract of Annual Return as provided under Section 92(3) of the Act, is enclosed in the prescribed form MGT-9 and forms part of this Report.

27. MAINTENANCE OF COST RECORD

As per the audited balance sheet of the Company, turnover of the Company during the financial year 2018-19 exceeds 35 crores so, maintenance of cost record is applicable to the Company. But with reference to the Rule 3 of Companies (Cost Record and Audit) Rules, 2014, maintenance of cost record is not applicable to the Companies covered under Micro and Small enterprise as per MSMED Act, 2006.

28. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Since the Company's net worth does not exceed Rs. 500 crores or Company's turnover does not exceed Rs. 1000 crores or the Company's net profit does not exceed Rs. 5 crore any financial year, hence the provisions of section 135 of the Companies Act, 2013 are not applicable.

29. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Directors and members of Senior Management have affirmed compliance with the Code of Conduct for Directors and Senior Management of the Company.

30. VIGIL MECHANISM

The Company has established a vigil mechanism for Directors and employees to report their genuine concerns. For details, please refer to the Corporate Governance Report attached to this Report.

- 31. SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**
Your Company has in place a formal policy for prevention of sexual harassment of its employees at workplace. The Company is in compliance with the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and has also adopted a revised policy on Sexual Harassment to prohibit, prevent or deter any acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment, thereby providing a safe and healthy work environment.

The Committee met once in the financial year 2018-19, on 30th March 2019 to assess the position in the company.

Further, during the year under review, there was no case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

- 32. ACKNOWLEDGEMENTS**
The Board of Directors would like to thank all employees of the Company and also Company's shareholders, auditors, customers and bankers for their continued support.
- 33. CAUTIONARY STATEMENT**
The statements contained in the Board's Report and Management Discussion and Analysis contain certain statements relating to the future and therefore are forward looking within the meaning of applicable securities, laws and regulations. Various factors such as economic conditions, changes in government regulations, tax regime, other statutes, market forces and other associated and incidental factors may however lead to variation in actual results.

For and on Behalf of the Board

Place: Kolkata
Date : May 29,, 2019

Sd/-
Manish Baid
Managing Director