



GLOBAL CAPITAL MARKETS LIMITED

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18th Annual Report
2006-2007



GLOBAL CAPITAL MARKETS LIMITED

BOARD OF DIRECTORS

I. C. BAID	Director
AMITABH SHUKLA	Director
A. K. DAS	Director
L. N. SHARMA	Director

COMPANY SECRETARY

POOJA AGARWAL

BANKERS

BANK OF INDIA
BHARAT OVERSEAS BANK LTD.
UNITED BANK OF INDIA
INDUSIND BANK LIMITED
HDFC BANK
ICICI BANK

AUDITORS

M/s. MITRA DEBMALLIK & CO.
Chartered Accountants

9, Kiran Sankar Roy Road, Kolkata - 700 001
Phone : 2248 4469

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REGISTRARS & SHARE TRANSFER AGENTS

R & D INFOTECH PVT. LTD.

22/4, Nakulaswar Bhattacharjee Lane, Kolkata - 700 026

Phone : 2463 1657, 2463 1658

E-mail : rdinfotec@yahoo.com • Website : www.rdinfotech.org

REGISTERED OFFICE

Sir R. N. M. House

3-B, Lal Bazar Street, 5th Floor, Kolkata - 700 001

Phone : 2248 9908, 2248 1053

E-mail : gcmnse@sify.com • Website : www.gcmnifoline.com

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GLOBAL CAPITAL MARKETS LIMITED

NOTICE

TO THE SHAREHOLDERS

Notice is hereby given that Eighteenth Annual General Meeting of the members of M/s. Global Capital Markets Ltd. will be held on Thursday 27th day of September, 2007 at 10.00 a.m. at Shyamal Smriti Parishad, 30 Dr. Nagen Ghosh Road, Kolkata - 700 031 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March 2007, the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Alok Kumar Das, who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider, and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution :

"RESOLVED THAT M/s. MITRA DEBMALLIK & CO., Chartered Accountants, the retiring Auditor of the Company be and are hereby reappointed as Auditor of the Company from the conclusion of this Annual General Meeting and until the conclusion of the next Annual General Meeting and that the Board of Directors/Audit Committee of Directors of the Company be and is hereby authorized to fix their remuneration plus reimbursement of any out-of-pocket expenses that may be incurred, in connection with the audit."

M/s. MITRA DEBMALLIK & CO. have intimated the Company that, if reappointed, their appointment will be within the limit laid down under Section 224 of the Companies Act, 1956.

Registered Office :

Sir RNM House, 5th Floor
3-B, Lal Bazar Street
Kolkata - 700 001
Date : 31st July, 2007

By Order of the Board
For Global Capital Markets Ltd.

L. N. SHARMA
Director

NOTES :

1. A Member entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. The instrument appointing a Proxy must be lodged at the Registered Office of the Company at least 48 hours prior to the time of the meeting.
3. The Share Transfer Books and the Register of Members of the Company will remain closed from September 22nd, 2007 to September 27th, 2007 (both days inclusive).
4. Members are requested to produce the enclosed Attendance Slip duly signed as per the specimen signature recorded with the Company/Depository Participant for admission to the meeting.
5. Members, who hold shares in de-materialized form are requested to bring their client ID and DP ID Nos. for easier identification of attendance at the meeting.
6. Members holding shares in physical form are requested to notify immediately any change in their address and bank particulars to the Company or Share Transfer Agent and in case their shares are held in dematerialized form, this information should be passed on directly to their respective depository.
7. In all correspondence with the Company, members are requested to quote their account/folio nos. and in case their shares are held in dematerialized form, they must quote their DP ID and Client ID No.
8. Members holding shares in physical form can now avail the facility of Nomination in respect of shares held by them pursuant to the amendment in the Companies Act, 1956. The prescribed form (Form 2B) can be obtained from the office of the STA of the Company. Members desiring to obtain this facility, may send their Nomination Form (in duplicate) duly filled in, to the Company or its Share Transfer Agent by quoting their respective folio nos.
9. Investors/Shareholders are requested to kindly note that if physical documents viz. Demat Request Forms (DRF) and Share Certificate etc., are not received from their DPs by the Registrar within 15 days from the date of generation of the DRN for dematerialization, the DRN will be treated as rejected/ cancelled. This step is being taken on the advice of National Securities Depository Limited (NSDL) so that no Demat request remains pending beyond a period of 21 days. Upon rejection/cancellation of the DRN, a fresh DRF has to be forwarded along with the share certificates by the DPs to the Registrar. This note is only to caution the investors/shareholders that they should ensure their DPs do not delay in sending the DRF and share certificates to the Registrar after generating the DRN.



GLOBAL CAPITAL MARKETS LIMITED

DIRECTORS' REPORT

TO THE SHAREHOLDERS

Your Directors have pleasure in presenting their Eighteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2007.

Financial Results

	(Rs. in lacs)	
	Year ended 31-3-2007	Year ended 31-03-2006
Total Income	155.21	91.25
Profit/(Loss) before Depreciation & Tax	127.79	67.02
Less: Depreciation	22.66	12.35
Profit/(Loss) before tax	105.13	54.67
Less : Provision for taxation		
Current	19.56	7.62
Deferred	14.68	10.09
Fringe Benefit	0.14	0.19
	34.38	17.89
Profit/(Loss) after tax	70.75	36.77
Excess provision for Income Tax written back	—	1.40
	70.75	38.17
Special Reserve under Section 451C of RBI Act, 1934	14.15	18.17
	56.60	19.99
Income Tax paid in respect of earlier years	—	8.54
	56.60	11.45
Book Value of Leased Assets written off in terms of para 8(e)(iii) of the NBFC Prudential Norms (Reserve Bank) Directions, 1998	—	138.19
	56.60	(126.74)
Add : Balance brought forward from previous year	(150.76)	(24.02)
Balance carried forward	(94.16)	(150.76)

DIVIDEND

Your Directors regret their inability to recommend any dividend in view of inadequacy of profits for the year ended 31st March, 2007.

PRESENT PERFORMANCE AND FUTURE PROSPECT

Like earlier years, your company has been able to maintain the trend of posting a better performance as compared to last year. A buoyant capital market environment and a robust economic growth coupled with a improved GDP growth witnessed by our country has also helped your company to post all round improvement in its performance. Its income has improved by 70.10%, Operating Profit (Profit before Depreciation) by 90.70%, Profit before Tax (PBT) by 92.30% and Profit after Tax (PAT) by 92.44% as compared to last year. The Company has been able to utilize its fund in a better manner which has helped to increase its interest income by 69.92%. With our economy maintaining the same level of growth pattern and our capital market showing stability, your company is sure to post a higher growth in the years to come. As we reported in the last year, its group company, M/s. GCM Securities Limited has been able to operate successfully under Derivative segment. It has got approval of the stock exchange for self clearing membership under F & O segment. Another group Company, M/s GCM Commodity & Derivatives Pvt. Ltd. has been successful in operations in commodity market through membership of NCDEX. The Company is soon going to acquire Membership of MCX (Multi Commodity Exchange) through another group company.

DIRECTORS

Shri A. K. Das retires by rotation at the ensuing Annual General Meeting and offers himself for re-appointment.



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AUDITORS

M/s. MITRA DEBMALLIK & CO., Chartered Accountants, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Company has received a certificate from them to the effect that their reappointment as Auditors, if made, would be within the limits as prescribed under Section 224(1-B) of the Companies Act, 1956.

FIXED DEPOSIT

The Company has not accepted any fixed deposits within the meaning of Section 58A of the Companies Act, 1956 and Rules made there under.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As the Company comes under the category of Non-Banking Financial Company, there was no scope for conservation of energy or technology absorption.

There was no foreign exchange earnings/outgo during the year under review.

PARTICULARS OF EMPLOYEES

No employee of the Company is covered by Section 217(2A) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules 1975 as amended.

CASH FLOW STATEMENT

The Cash Flow Statement for the year ended 31st March, 2007 pursuant to Clause 32 (as amended) of the Listing Agreement with Stock Exchanges is annexed herewith.

CORPORATE GOVERNANCE

Your Company complies with all the mandatory requirements of the Listing Agreement entered into with stock exchanges pertaining to Corporate Governance, in terms of revised Clause 49 of the Listing Agreement. A detailed report on Corporate Governance has been included in this report along with a Certificate from the Company's Auditor regarding Compliance of Corporate Governance. Further, a separate Management Discussion and Analysis Report is also given in this report.

DIRECTORS RESPONSIBILITY STATEMENT

In compliance with Section 217(2AA) of the Companies Act 1956, the Directors report that :

1. The preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to Standard Accounting Practices.
2. Such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give true and fair view of the state of the affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
3. Proper and sufficient care has been taken for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The annual accounts have been prepared on a going concern basis.

APPRECIATION

Your Directors express their feelings of gratitude for the assistance and co-operation extended by Banks, Government authorities, Shareholders, Suppliers and Customers of the Company.

The Directors wish to extend their sincere thanks to each and every employees of the Company for their dedicated contribution and look forward the continuance of it in the times to come.

For and on behalf of the Board of Directors

Kolkata
July 31, 2007

L. N. SHARMA
Director



CORPORATE GOVERNANCE REPORT

The Company pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges furnishes its report on the code on Corporate Governance :

I. Company's philosophy on Code of Corporate Governance

The Company's philosophy on Corporate Governance envisages the attainment of the highest level of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, employees, the government and lenders. A company which maintains a good practice of Corporate Governance would be able to optimize the use of financial and human resources at its disposal resulting into various benefits to the investors, customers, creditors, employees and the society in general.

Our Company believes that all its operations and activities must serve the underlying goal of enhancing overall shareholder value over a sustained period of time.

II. Board of Directors

(a) Composition of the Board

The Board has presently four members out of which three are non-executive Directors. Out of four Directors, two are independent Directors. The Board members comprises of professionals possessing required skills, experience and expertise necessary to manage the Company. The Board members possess the experience and expertise to guide and manage the Company. Normally, the Board meets once in every quarter to review the Company results and all other matters materials in nature. The particulars of the Directors and their attendance at the Board Meeting and committee meeting during the year and last AGM and also their number of directorship and committee membership as on 31/03/2007 are given herein below :

Name of Director	Category of Director	No. of other Directorship held	No. of other Board Committee(s) of Which he is a Member	No. of other Board Committee(s) of which he is Chairman
Mr. I. C. Baid	Promoter-Non Executive	Two	Nil	Nil
Mr. L. N. Sharma	Executive	Nil	Nil	Nil
Mr. A. K. Das	Independent-Non Executive	Two	Nil	Nil
Mr. Amitabh Shukla	Independent-Non Executive	Nil	Nil	Nil

(b) Details of sitting fees, remuneration etc. paid to Directors.

Name of Director	Sitting fees for attending Meetings of the Board and/or Committee thereof	Remuneration paid during 1st April, 2006 to 31st March, 2007
Mr. I. C. Baid	Rs. 4,000/-	—
Mr. A. K. Das	Rs. 4,000/-	—
Mr. L. N. Sharma	Rs. 4,000/-	—
Mr. Amitabha Shukla	Rs. 4,000/-	—



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(c) Number of Board Meetings held and attended by Directors

- (i) Four Meetings of the Board of Directors were held during the year 1st April, 2006 to 31st March, 2007.

These were held on :

1. 30th June, 2006
2. 31st July, 2006
3. 31st October, 2006
4. 31st January, 2007

- (ii) The attendance record of each of the Directors at the Board Meetings during the year ended on 31st March, 2007 and at the last Annual General Meeting is as under :

Name of Director	No. of Board Meetings attended	Attendance at the last AGM
Mr. I.C.Baid	4	Yes
Mr. A.K.Das	4	Yes
Mr. L.N.Sharma	4	Yes
Mr. Amitabh Shukla	4	Yes

Information in cases of appointment or reappointment of Directors as required under Listing Agreement :

Sl. No.	Name	Date of Birth	Date of Appointment	Experience in Specific Functional area	Educational Qualification	No. of Other Directorship
1	Mr. A. K. Das	02.01.1963	02.05.1995	Finance, Accounts Capital Markets, Investment Banking Taxation	FCA	2

III. Audit Committee

(a) Composition, names of members and Chairperson

Presently, the Audit Committee comprises of the following independent Directors :

- 1) Mr. I. C. Baid
- 2) Mr. Amitabh Shukla
- 3) Mr. A. K. Das

Mr. A. K. Das is the Chairman of the Committee

(b) Terms of Reference

The terms of reference of the Audit Committee, as contained under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, are as follows :

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information.
- b. Recommending the appointment and removal of external auditors, fixation of audit fees and also approval for payment for any other services to be undertaken by the Auditors.



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- c. Reviewing with management the annual financial statements with reference to any changes in accounting policies and practices, major accounting entries based on exercise of judgment by management, qualification in draft audit report, significant adjustment arising out of audit, the going concern assumptions, compliance with accounting standards, compliance with stock exchanges, SEBI, RBI and any other regulatory authority concerning financial statements and any related party transactions that may have potential conflict with the interests of the Company at large.
- d. Reviewing the adequacy of internal control system and inter audit functions.
- e. Reviewing the nature and scope of external and internal audit.
- f. Reviewing the Company's financial and risk management policies.

(c) Meetings and attendance during the year

The Audit Committee meetings were held on 30th June, 2006, 31st July, 2006, 31st October, 2006 and on 31st January, 2007. The attendance of each Committee member is as under :

Name of Director	No. of Meetings attended
1) Shri I. C. Baid	4
2) Shri A. K. Das	4
3) Shri Amitabh Shukla	4

IV. Remuneration Committee

The Remuneration Committee during the year comprised of three Directors namely, Shri I. C. Baid, Shri A. K. Das and Shri L.N.Sharma. The remuneration policy is directed towards rewarding performance based on review of achievements on a periodical basis. However, none of the Directors has taken any remuneration from the Company in the year under review except Meeting Fees.

V. Shareholders / Investors Grievance Committee

The Company has formed "Shareholders/Investors Grievance Committee" comprising of Non-executive Directors viz., Shri I. C. Baid, Shri A. K. Das and Shri Amitabh Shukla to specially look into the redressing of shareholders and investors complaints. The committee oversees the performance of the Registrars and Transfer Agents and recommends measures to improve the level of investor services. The Committee meets twice in a month to avoid any delay in transfer process.

The Company has authorized the Directors severally to approve the share transfer.

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (duly amended), the Board has approved the "Code of Conduct for Prevention of Insider Trading" and authorised the Committee to implement and monitor the various requirements as set out in the code.

The Board has designated Smt. Pooja Agarwal, Company Secretary as the Compliance Officer.

There were no complaints pending for reply as on 31st March, 2007. There were no share transfers pending for registration as on the said date.

VI. Board Procedure

The members of the Board have been provided with the requisite information mentioned in the listing agreement well before the Board Meetings and the same were dealt with appropriately.

All the directors, who are on various committees, are within the permissible limits stipulated in the listing agreement. The Directors have intimated from time to time about their membership in the various committees in other companies.

VII. CEO/CFO Certification

The CFO appointed for the purpose of Clause 49 have given the necessary certificate to the Board in the prescribed format.



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VIII. Compliance Certificate

Compliance certificate for Corporate Governance from Auditors of the Company is annexed herewith.

IX. General Body Meetings

(a) The details of the previous three Annual General Meetings held is as under :

AGM	Financial Year Accounting Period	Day/Date	Time	Venue
1.	1.4.2003 - 31.3.2004	Friday 24.09.2004	10.00 A.M.	30, Dr. N. G. Road, Kolkata - 700 031
2.	1.4.2004 - 31.3.2005	Thursday 29.09.2005	10.00 A.M.	- Do -
3.	1.4.2005 - 31.3.2006	Tuesday 26.09.2006	10.00 A.M.	- Do -

(b) Whether special resolutions were put through postal ballot last year ? No

(c) Are special resolutions proposed to be put through postal ballot this year ? No

X. Disclosures

- (i) There are no materially significant transactions with related parties viz., Promoters, Directors or the Management, their subsidiaries or relatives conflicting with the Company's interest.
- (ii) No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

XI. Means of Communication

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchange immediately after they are approved by the Board. These are widely published in national and regional newspapers.

XII. General Shareholder Information**(a) Annual General Meeting to be held**

Day : Thursday
Date : 27th September, 2007
Time : 10.00 A.M.
Venue : 30, Dr. Nagen Ghosh Road, Kolkata - 700 031

(b) Financial Calendar : 2006-2007

First Quarterly Results	Before end of July, 2007
Second Quarterly Results	Before end of October, 2007
Third Quarterly Results	Before end of January, 2008
Audited Results for the Y. E. 31st March, 2008	Before end of June, 2008

(c) Dates of Book Closure

Saturday the 22nd September 2007 to Thursday the September 27th, 2007 (both days inclusive).
Dividend payment date : The Company has not declared any dividend for the current financial year.

(d) Listing on Stock Exchanges

The Equity Shares of the Company are presently listed at the following Stock Exchanges :

The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

The Calcutta Stock Exchange Association Ltd., 7, Lyons Range, Kolkata - 700 001.