



G. M. BREWERIES LIMITED

15th ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS

1996-97

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		

Annual General Meeting

On 26th March, 1998 at 11.30 A.M. at

Birla Krida Kendra, Chowpatty, Mumbai - 400 007

Shareholders are requested to
bring their Copies of the Annual
Report to the Meeting

G. M. BREWERIES LIMITED

BOARD OF DIRECTORS

Mr. Jimmy William Almeida	- <i>Chairman & Managing Director</i>
Smt. Celina William Almeida	- <i>Whole-time Director</i>
Mr. Hanumant Sambhaji Tambe	- <i>Whole-time Director</i>
Mr. Mukund Govind Diwan	- <i>Director</i>
Mr. Ashwin Pranlal Mehta	- <i>Director</i>

Company Secretary

T. Ravichandran

Auditors

M/s. V. P. Mehta & Company
Chartered Accountants
Mumbai - 400 003

Bankers

Central Bank of India
Prabhadevi
Mumbai - 400 025

Credit Agricole Indosuez Ltd
169, Backbay Reclamation
Mumbai - 400 020

Dena Bank
Santacruz (w)
Mumbai - 400 054

The Catholic Syrian Bank Ltd
Chembur
Mumbai - 400 071

Regd. Office

Ganesh Niwas, S. Veer Savarkar Marg,
Prabhadevi, Mumbai - 400 025

Factory

S. Veer Savarkar Marg, Virar (East),
Dist. Thane - 401303

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NOTICE

Notice is hereby given that the 15th Annual General Meeting of the Members of G.M. Breweries Limited will be held at Birla Krida Kendra, Chowpatty, Mumbai - 400 007 on Thursday, the 26th day of March, 1998 at 11.30 a.m. to transact the following business:

Ordinary Business :

1. To receive, consider and adopt the Audited Balance Sheet as at September 30, 1997 and Profit and Loss Account for the period ended on that date and the Reports of Directors' and Auditors' thereon.
2. To declare dividend.
3. To reduce the number of Directors to 5 (Five) by not filling the vacancy caused by retirement by rotation of Mr. Vishwas D. Patil.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business :

5. To Consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION** :

"**RESOLVED THAT** pursuant to the provisions of section 314 and all other applicable provisions, if any, of the Companies Act, 1956, Consent of the Company be and is hereby accorded to Shri Vipul P. Mehta, Proprietor of M/s. V.P. Mehta & Co., Chartered Accountants, relative of Shri Ashwin P. Mehta, a Director of the Company, to hold Office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting as Auditors of the Company and/or for rendering any other professional services on such remuneration and on such terms as may be agreed by the Board of Directors."

6. To Consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION** :

"**RESOLVED THAT** the Consent of the Company be and is hereby accorded under the provisions of Section 293 (1) (d) of the Companies Act, 1956 to the Board of Directors of the Company to borrow from time to time such sum or sums of money as they may deem requisite for the purpose of the business of the Company not withstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the Paid-up Capital of the Company and its Free Reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount upto which monies may be borrowed by the Board of Directors shall not exceed the sum of Rs. 200 Crores (Rupees Two Hundred Crores only) at any one time."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in this regard and to do all such acts, deeds, matters and things as may be deemed expedient and necessary to give effect to this resolution."

7. To Consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION** :

"**RESOLVED THAT** Consent of the Company be and is hereby accorded, pursuant to Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company, to mortgage and/or charge all or any of the movable and/or immovable properties of the Company, wheresoever situate both present and future, the whole or substantially whole of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in favour of all or any of the Lending Institutions, Banks, Trustees, Companies, Bodies Corporate and other authorities to secure

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Borrowings of the Company in Indian and/or Foreign Currency by way of Loans or by way of Bonds, Debentures or other instruments of an equivalent aggregate value not exceeding Rs. 200 crores (Rupees Two Hundred Crores only) together with the interest, commitment charge, premium on prepayment and on redemption, costs, charges, expenses and all other monies payable by the Company in terms of the respective loan agreements/heads of agreements/letters of sanction, memorandum of terms and conditions etc., entered into or to be entered into by the Company in respect of the aforesaid loans/bonds/debentures obtained/ to be obtained as may be agreed to by the Board."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise the documents terms and conditions for creation of the above mortgage or charge in consultation with the Lenders and do all necessary acts and things as may be necessary to give effect to the above resolutions."

8. To Consider and if thought fit, to pass with or without modification(s), the following Resloution as a **SPECIAL RESOLUTION** :

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the Company be altered in the following manner :

After Article 21A of the Articles of Association of the Company, new Article 21B, be inserted:

21B. Subject to the provisions of the Companies Act, 1956 as amended from time to time or any re-enactment thereof, the Articles of Association of the Company and other provisions, for the time being in force, the Board of Directors of the Company be and is hereby authorised to purchase, hold, resell any of its own fully/ partly Paid-up Equity/ Preference shares, whether or not they are redeemable, on such terms and conditions and at such times as the Board may in its discretion decide and deem fit.

9. To Consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION** :

"RESOLVED THAT subject to the provisions of the Companies Act, 1956 as amended from time to time or any re-enactment thereof, the Articles of Association of the Company and other provisions, for the time being in force, the Board of Directors of the Company be and is hereby authorised to purchase from time to time such number of shares of the Company, whether or not they are redeemable, at such rate(s) as may be thought fit by the Board, upto an amount not exceeding 20% (Twenty percent) of the Paid-up capital of the Company on such terms and conditions as the Board may deem proper and make payment(s) for such purchases out of the funds from free reserves and share premium account or out of such funds as may be allowed under the law/rules & regulations and to keep them alive, cancel and/or resell from time to time, such number(s) of the shares so purchased, at such rate(s) and on such terms as the Board may deem fit and proper."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to raise funds equivalent to 20% of the paid-up capital of the Company in one or more trenches through issue/private placement of Debentures/Bonds or any other form of securities, on such terms and conditions as may be decided by the Board of Directors and permissible under the law."

"RESOLVED FURTHER THAT the Board of Directors of the Company pursuant to Section 293(1) (a) of the Companies Act, 1956 be and is hereby authorised to mortgage and/or charge and/or hypothecate all the present and/or future immovable or movable properties and the whole or substantially the whole of the undertaking of the Company in such manner as the Board of Directors may decide for the purpose of securing unto the agents and Trustees for the holders of Non-Convertible/Convertible Debentures or any debt instrument(s)/ securities of the aggregate face value not exceeding 20% (Twenty perencent) of the Paid-up capital of the Company, to be issued, together with interest thereon, further interest, liquidated damages, remuneration or any other costs, charges and expenses of the Agents and Trustees for the holders of the said Debentures/ securities and other monies in terms of an agreement to be entered into between the Company and the said agents and Trustees."

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"RESOLVED FURTHER THAT the Board of Directors of the Company shall exercise the powers conferred by this resolution only after necessary provision for this purpose is incorporated in the Companies Act, 1956 or any statutory modification or re-enactment thereof and in such manner and after complying with the conditions prescribed in such provisions or any other law or regulations and not otherwise."

10. To Consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION** :

"RESOLVED THAT pursuant to Section 31 and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) the Articles of Association of the Company be and are hereby amended, altered and/or substituted in the manner and to the extent as is set out herein below :

- a. To insert the following sub-clauses in Article 2 :

Beneficial owner

Beneficial owner shall mean beneficial owner as defined in clause (a) of sub-section (1) of section 2 of the Depositories Act, 1996.

Depositories Act, 1996

Depositories Act, 1996 shall include any statutory modification or re-enactment thereof.

Depository

Depository shall mean a Depository as defined under Clause (c) of sub-section (1) of Section 2 of the Depositories Act, 1996.

Shareholders Or Members

Shareholders or Members means the duly registered holders of the shares from time to time and includes the subscribers to the the Memorandum of Association of the Company and the beneficial owner(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

- b. To amend Article 16 by adding the following provisio at the end of the first sentence :

Provided, however, that the provisions relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner herein before mentioned, no share shall be sub-divided.

- c. To insert the following new Articles after the existing Article 21B :

21C.The Company shall be entitled to dematerialise its existing shares, rematerialise its shares held in the Depositories and/ or to offer its fresh shares in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

21D.Except as ordered by a Court of Competent jurisdiction or as by law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner(s) of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any two or more persons or the survivors of them.

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21E. The Company shall cause to be kept a Register and Index of Members in accordance with all applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 with details of shares held in material and dematerialised forms in any media as may be permitted by law including in any form of electronic media. The Company shall be entitled to keep in any State or Country outside India a Branch Register of Members Resident in that State or Country.

d. To amend the Article 47 in the following manner :

Article 47 of the Articles of Association shall include the words "whether or not held in material form" after the words "every transfer or transmission of any share".

e. To insert the following new Articles after the existing Article 62 :


62A. In the case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificate and where such shares or securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

62B. Nothing contained in the foregoing Article shall apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository.

By Order of the Board
For G. M. Breweries Ltd.,

Mumbai,
Date : February 12, 1998

Registered Office :
Ganesh Niwas, S. Veer Savarkar Marg,
Prabhadevi, Mumbai 400 025


T. Ravichandran
Company Secretary

NOTES:

- a) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business under item Nos. 5, 6, 7, 8, 9 and 10 as stated above is annexed hereto.
- b) 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. The proxies should, however, be deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting.
- c) The Register of Members and Transfer Books of the Company will remain closed from 24th March, 1998 to 26th March, 1998 (both days inclusive).
- d) If dividend on shares, as recommended by the Directors is approved at the ensuing Annual General Meeting, payment of such dividend will be made to those members whose names appear on the Company's Register of Members at the close of working hours on 26th March, 1998.
- e) Shareholders desiring any information as regards the Accounts are requested to write to the Company at least seven days in advance of the meeting so that the information, to the extent practicable, can be made available at the meeting.
- f) The unclaimed dividend for the financial year of the Company ended on March 31, 1994 is transferred to the General Revenue Account of the Central Government in terms of the provisions of Section 205A of the Companies Act, 1956. Shareholders who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Maharashtra, Mumbai.
- g) Members are requested to notify immediately change, if any, in their registered addresses to the Company's Share Department at the Registered Office of the Company.

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ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

Item No. 5 :

Shri Vipul P. Mehta, Proprietor of M/s. V.P. Mehta & Co., Chartered Accountants, the retiring Auditors of the Company, is a relative of Shri Ashwin P. Mehta, a Director of the Company. Pursuant to the provisions of Section 314 of the Companies Act, 1956, the shareholders' approval by special resolution is required at the General Meeting of the Company for his appointment.

M/s. V.P. Mehta & Co., Chartered Accountants have been one of the Auditors of the Company even prior to the appointment of Shri Ashwin P. Mehta, as a Director of the Company and it will be in the interest of the Company to reappoint them as Auditors of the Company.

Shri Vipul P. Mehta is related to Shri Ashwin P. Mehta, a Director of the Company and to that extent Shri Ashwin P. Mehta may be deemed to be concerned or interested in the resolution.

No other Directors of the Company is concerned or interested in the resolution.

Item No. 6 & 7 :

At present the Company can borrow only up to Rs. 100 crores. In view of the enhanced activities of the Company and future plans for modernisation and diversifications it may be necessary for the Company to borrow monies from various sources which could exceed the present limit of Rs. 100 crores.

The Board of Directors accordingly recommends the new limit to the extent of Rs. 200 crores as set out in the resolution for the approval of the members.

Further, Banks, Financial Institutions or any other agencies may while granting the loans or financial assistance which may either be in a Foreign Currency Loans or a Rupee Loans or in any other manner may require to be secured by an appropriate mortgage or charge. As the documents to be executed with the lenders may contain the power to take over the management of the Company in certain events, it is necessary for the members to pass a Resolution Under Section 293 (1) (a) of the Companies Act, 1956, before the creation of the mortgages or charges.

None of the Directors of the Company is concerned or interested in the resolutions.

The Directors recommend the Resolutions for approval of the Members.

Item No. 8 :

Your Directors propose to insert a new Article relating to buy-back of shares in the Articles of Association of the Company in order to bring these in line with draft Companies Bill, 1997 under consideration of the Government. The draft Companies Bill, 1997 allows buy-back of Shares or the specified securities by a Company out of its free reserves, securities premium account or the proceeds of prior issue made specifically for the purpose of buy-back. As per Section 31 of the Companies Act, 1956, these changes would require your approval by way of special resolution.

The above changes would become effective only from the date of enactment of the changed provisions in law.

None of the Directors is in any way concerned or interested in this resolution.

Your Directors recommend the passing of this Resolution as a special resolution.



