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G. M. BREWERIES LIMITED

20th Annual Report 2002-2003

G. M. BREWERIES LIMITED

BOARD OF DIRECTORS

| | |
|-----------------------------|---|
| Shri Jimmy William Almeida | - <i>Chairman & Managing Director</i> |
| Smt. Celina William Almeida | - <i>Whole-time Director</i> |
| Shri John William Almeida | - <i>Whole-time Director</i> |
| Shri Mukund Govind Diwan | - <i>Director</i> |
| Smt. Jyoti Jimmy Almeida | - <i>Director</i> |
| Shri Ashwin Pranalal Mehta | - <i>Director</i> |

Auditors

M/s. V. P. Mehta & Company
Chartered Accountants

Bankers

Central Bank of India
Prabhadevi, Mumbai - 400 025

Dena Bank
Santacruz (W), Mumbai - 400 054

Credit Agricole Indosuez,
Fort, Mumbai 400 020.

The Catholic Syrian Bank Ltd
Chembur, Mumbai - 400 071

The Thane Janata Sahakari Bank Ltd.
Bhiwara Bhavan, Kopri, Thane (East).

Citizen Co-Op. Bank Ltd.
Dadar, Mumbai 400 028.

Regd. Office

Ganesh Niwas, S. Veer Savarkar Marg,
Prabhadevi, Mumbai - 400 025
Phone : 24331150 / 51/ 1329

Factory

S. Veer Savarkar Marg, Virar (East),
Dist. Thane - 401303 State : Maharashtra (India)
Phone : 95250 - 2528728, 2528793

Share Transfer Agent

Sharex (India) Pvt. Ltd.
17/B, Dena Bank Building, 2nd Floor,
Hornimon Circle, Fort, Mumbai - 400 001.
Phone : 2270 2485, 2264 1376

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20th Annual Report 2002-2003**NOTICE**

Notice is hereby given that the 20th Annual General Meeting of the Members of G.M. Breweries Limited will be held at Hotel Kohinoor Park, Emperor Hall, 1st Floor, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025 on Thursday, the 8th of May, 2003 at 11.30 a.m. to transact the following business:

Ordinary Business :

- 1) To receive, consider and adopt the Balance Sheet as at 31st March, 2003 and Profit and Loss Account for the year ended on that date, the Report of Directors and Auditor's thereon.
- 2) To declare dividend on the equity shares.
- 3) To appoint a Director in place of Mr. Mukund Govind Diwan, who retires by rotation and being eligible, offers himself for re-appointment.
- 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, the following resolution as an **ORDINARY RESOLUTION**
 1. "RESOLVED THAT pursuant to the provisions of sections 198,269,309,310 Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such sanctions as may be necessary, approval and sanction of the company be and is hereby accorded to the re-appointment of and payment of remuneration to Mr. Jimmy William Almeida as Managing Director of the Company for a period of 5 years with effect from April 1, 2003 upon the terms and conditions and payment of remuneration and other perquisites/benefits to Mr. Jimmy William Almeida during the said period of 5 years as set out in the agreement, copy whereof duly initialled by the Chairman for the purpose of identification is placed before this meeting including, inter-alia, payment and provision of the following remuneration, perquisites and benefits :
 - a) **Salary**
Rs. 50,000/- in the scale of Rs. 50,000/- to Rs. 1,00,000/- per month.
 - b) **Perquisites :**
 - i) Perquisites include House Rent Allowance, Car, Electricity, Medical Expenses reimbursement for self and family, Leave Travel Concession for self and family, club fees, medical insurance etc., limited to actuals or the Annual Salary whichever is less.
 - ii) Provision of car for use on Company's business and telephone at residence will not be considered perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company to the Managing Director.
 - iii) Company's Contribution to the Provident Fund, Gratuity and encashment of leave as per the rules of the Company and the same shall not be in the perquisites as aforesaid.
 2. FURTHER RESOLVED THAT in the event of absence of or inadequacy of profit in any financial year during the tenure of the Managing Director, the remuneration shall be governed as provided under Section II of Part II of

Shareholders are requested to bring their copies of the Annual Report to the Meeting.

G. M. BREWERIES LIMITED

Schedule XIII to the Companies Act, 1956 and any excess payment in this regard will be recovered by the company.

3. **RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do and perform or cause to be done and performed, all such acts and deeds necessary to give effect to the foregoing resolution including, inter-alia, approving on behalf of the Company, any changes or modifications in the aforesaid Agreement from time to time.

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**
 1. “**RESOLVED THAT** pursuant to the provisions of sections 198,269,309,310 Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such sanctions as may be necessary, approval and sanction of the company be and is hereby accorded to the re-appointment of and payment of remuneration to Smt. Celina William Almeida as Whole -Time Director of the Company for a period of 5 years with effect from April 1, 2003 upon the terms and conditions and payment of remuneration and other perquisites/benefits to Smt. Celina William Almeida during the said period of 5 years as set out in the agreement, copy whereof duly initialled by the Chairman for the purpose of identification is placed before this meeting including, inter-alia, payment and provision of the following remuneration, perquisites and benefits :
 - a) **Salary**
Rs. 18,000/- in the scale of Rs. 18,000/- to Rs. 28,000/- per month.
 - b) **Perquisites :**
 - i) Perquisites include House Rent Allowance, Car, Electricity, Medical Expenses reimbursement for self and family, Leave Travel Concession for self and family, club fees, medical insurance etc., limited to actuals or the Annual Salary whichever is less.
 - ii) Provision of car for use on Company's business and telephone at residence will not be considered perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company to the Whole - Time Director.
 - iii) Company's Contribution to the Provident Fund, Gratuity and encashment of leave as per the rules of the Company and the same shall not be in the perquisites as aforesaid.
 2. **FURTHER RESOLVED THAT** in the event of absence of or inadequacy of profit in any Financial Year during the tenure of the Whole -Time Director, the remuneration shall be governed as provided under Section II of Part II of Schedule XIII to the Companies Act, 1956 and any excess payment in this regard will be recovered by the company.
 3. **RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do and perform or cause to be done and performed, all such acts and deeds necessary to give effect to the foregoing resolution, including, inter-alia, approving on behalf of the Company, any changes or modifications in the aforesaid Agreement from time to time.
 - 7) To consider and if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION** :

“**RESOLVED THAT** pursuant to the provisions of sections 314 and other applicable provisions, if any, of the

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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 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."

8. To consider and if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION** :

DELISTING OF SHARES FROM THE NATIONAL STOCK EXCHANGE(N.S.E)

"RESOLVED THAT pursuant to bylaws/listing agreement entered in to with the National Stock Exchange and the guidelines issued by SEBI under the Securities and Exchange Board of India(Delisting of Securities) Guidelines -2003 ,dated 18th February 2003 and other applicable approvals and procedures, the Company be and is hereby authorised to voluntarily apply for delisting of its Equity shares from the National Stock Exchange and the Board of Directors of the Company or any persons specifically authorised by the Board in this regard be and is hereby authorised to sign, deliver and pursue and otherwise deal with all necessary applications and/or documents and to do such other acts, deeds and things as may be deemed necessary in this regard."

By Order of the Board of Directors

For **G.M. BREWERIES LIMITED**

Mumbai,

Date : 3rd April, 2003

Registered Office :

Ganesh Niwas, S. Veer Savarkar Marg,

Prabhadevi, Mumbai - 400 025



(**JIMMY WILLIAM ALMEIDA**)

CHAIRMAN & MANAGING DIRECTOR

NOTES :

- a) The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the Special Business under item 5 to 8 as stated above in annexed hereto.
- b) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself 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 5th May, 2003 to 8th May, 2003 (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 name appear on the Company's Register of Members at the close of working hours on 8th May, 2003.
- e) Shareholders desiring any information as regards the Accounts are required to write to the Company atleast seven days in advance of the meeting so that the information, to the extent practicable, can be made available at the meeting.
- f) Members are requested to notify immediately change, if any, in their registered addresses to the Company's Registrar and Share Transfer Agents M/S Sharex(India) Pvt. Ltd., 17/B, Dena Bank Building, 2nd Floor, Hornimom Circle, Fort, Mumbai - 400 001. Members are also requested to furnish their Bank details to the company's Share Transfer Agents

G. M. BREWERIES LIMITED

- immediately for printing the same on the dividend warrants/Cheques to prevent fraudulent encashment of the instruments.
- g) Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting and number of shares held by them.
- h) Shri Mukund G Diwan, Director retires by Rotation and is eligible for re-appointment at the Annual General Meeting. A brief resume of the said director is given below.

| | |
|--|----------------------------------|
| Name | Shri Mukund G Diwan |
| Age | 72 years |
| Qualification | M.Sc., F.I.A., F.A.S.I., F.I.I.I |
| Expertise in Specific Area | Former Chairman of LIC |
| Date of first Appointment on the Board of the Company | 20-12-1992 |

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.****ITEM NO. 5 & 6 :**

The Board of Directors in their meeting held on 27th March, 2003 had Re-Appointed Shri. Jimmy William Almeida as Managing Director of the Company and Smt. Celina William Almieda as Whole- Time Director of the Company for a period of 5 years from 1st April, 2003, subject to approval by the share holders of the Company under Schedule XIII of the Companies Act, 1956.

The Board has also, subject to approval of the share holders, has fixed the remuneration/perquisites/benefits payable to the aforesaid Shri. Jimmy William Almeida, Managing Director and Smt. Celina William Almeida, Whole -Time Director of the Company from April 1, 2003 as under :

- | | | |
|--------------------------|---|---|
| 1. Name of the appointee | Mr. Jimmy W.Almeida | Mrs. Celina W. Almeida |
| 2. Designation | Managing Director | Whole-Time Director |
| 3. Tenure | Five(5) Years From April 1, 2003 | Five(5) Years From April 1, 2003 |
| 4. Salary | Rs. 50,000/- p.m in the scale of Rs. 50,000/- Rs. 1,00,000/- p.m | 18,000/- p.m in the scale of Rs.18,000/- Rs.28,000/- p.m |
| 5. Perquisites | <p>i) Perquisites include House Rent Allowance, Car, Electricity, Medical Expenses reimbursement for self and family, Leave Travel Concession for self and family, club fees, medical insurance etc., limited to actuals or the Annual Salary whichever is less.</p> <p>ii) Provision of car for-use on Company's business and telephone at residence will not be considered perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company.</p> <p>iii) Company's Contribution to the Provident Fund, Gratuity and encashment of leave as per the rules of the Company and the same shall not be in the perquisites as aforesaid.</p> | |

In the event of absence of or inadequacy of Profit in any Financial Year during their tenure, the remuneration shall be governed as provided under Section II of Part II of Schedule XIII to the Companies Act, 1956.

The Board of Directors be and hereby authorised to alter and vary the terms and conditions and grant increment(s) and other perquisites to respective individuals so as not to exceed the maximum limits for the payment of remuneration specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed to between the

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Board of Directors and the respective Directors.

The above mentioned explanatory statement read together with the resolutions specified under **SPECIAL BUSINESS** as item no 5 & 6 of the Notice convening the Annual General Meeting may be considered as an abstract, under section 302 of the Companies Act, 1956, of the terms of revised remuneration and perquisites payable to the aforesaid Managing/Whole-time Director with effect from 1st April, 2003.

MEMORANDUM OF INTEREST

Being related to each other Shri. Jimmy William Almeida and Smt. Celina William Almeida are mutually interested in the resolutions at the Item nos 5 & 6 respectively. Mr. John William Almeida and Mrs. Jyoti Jimmy Almeida are also deemed to be concerned and interested in the resolutions at Item Nos 5 & 6 as they are the relatives of Shri. Jimmy William Almeida and Smt. Celina William Almeida.

Except the above mentioned Directors none of the directors of the Company is concerned or interested in these resolutions.

ITEM NO. 7

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 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 Director of the Company is concerned or interested in the resolution.

ITEM NO. 8

The Company's shares are presently listed in the Mumbai Stock Exchange and the National Stock Exchange.

SEBI through its guidelines known as Securities and Exchange Board of India (Delisting of Securities) Guidelines - 2003, dated 18th February 2003 has permitted companies to voluntarily delist its shares from a Stock Exchange where the shares are listed for a period of more than 3 years provided, inter-alia, the company is authorised by the share holders for making such an application for delisting through a special resolution. The Board of Directors has decided to take steps to have the equity shares of the Company delisted from the National Stock Exchange due to the fact that the volume of trading is low and also due to the fact that Mumbai Stock Exchange, where the Company's shares will continue to be listed, has also got nation wide trading terminals and the delisting from NSE will not affect the trading of the shares by members located in any part of the country.

None of the Directors is deemed to be concerned or interested in the resolution.

The Board of Directors of your Company recommend passing of the resolution set out under Item No. 8 as Special Resolution.

By Order of the Board of Directors

For **G.M. BREWERIES LIMITED**

Mumbai,

Date : 3rd April, 2003

Registered Office :

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



(JIMMY WILLIAM ALMEIDA)
CHAIRMAN & MANAGING DIRECTOR

G. M. BREWERIES LIMITED**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors have pleasure in presenting their 20th Annual Report together with the Audited Accounts of the Company for the Year Ended 31st March, 2003.

Financial Results :

| | Audited 31.03.2003 | (Rs. in lacs) Audited 31.03.2002 |
|--|-------------------------------|---|
| Gross Sales | 16,181.97 | 14,510.04 |
| Other Income | 40.52 | 41.26 |
| | <u>16,222.49</u> | <u>14,551.30</u> |
| Profit before depreciation and taxation | 295.22 | 262.28 |
| Less : Depreciation | 159.04 | 137.81 |
| Less : Provision for taxation | 26.00 | 40.23 |
| Profit after taxation | 110.18 | 84.24 |
| Add : Balance brought forward from previous year | 39.62 | 50.37 |
| Less : Prior Period adjustment (Net) | (5.13) | 28.84 |
| | <u>154.93</u> | <u>105.77</u> |
| Surplus available for Appropriation | <u>154.93</u> | <u>105.77</u> |
| <u>APPROPRIATIONS</u> | | |
| General Reserve | 10.00 | 10.00 |
| Proposed Dividend | 56.15 | 56.15 |
| Tax on Dividend | 7.19 | - |
| Balance carried to Balance Sheet | <u>81.59</u> | <u>39.62</u> |
| | <u>154.93</u> | <u>105.77</u> |

DIVIDEND :

Your Directors have pleasure in recommending for approval of the members at the Annual General Meeting a dividend of 6% (previous year 6%). The dividend, if approved, at the Annual General Meeting will result in the out flow of Rs.56.15 lacs to the company in addition to Rs 7.19 lacs by way of distribution tax.

OPERATIONAL REVIEW :

Gross Sales and Services increased to Rs.16222.49 Lacs, a growth of approximately 12% against Rs.14551.30 Lacs in the previous year. Profit before depreciation and taxation was Rs.295.22 lacs against Rs.262.28 Lacs in the previous year. After providing for interest and financial charges, depreciation and taxation of Rs.390.47 Lacs, Rs.159.04 Lacs and Rs.26 Lacs respectively, the net profit of the Company for the year under review was placed at Rs.110.18 Lacs as against 84.24 lacs in the previous year. The increase in the net profit is mainly due to increase in sales in terms of volume as well as value and reduction in the interest outflow.

DISCLOSURE OF SPECIAL PARTICULARS :

Information as per Clause (e) of sub-section (1) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 for the Year ended 31st March, 2003 is given below :

20th Annual Report 2002-2003**CONSERVATION OF ENERGY :**

- a) Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilisation and maximum possible savings of energy is achieved.
- b) No specific investment has been made in reduction in energy consumption.
- c) As the impact of measures taken for conservation and optimum utilisation of energy are not quantitative, its impact on cost cannot be stated accurately.
- d) Since the Company does not fall under the list of industries which should furnish this information in Form A annexed to the aforesaid Rules, the question of furnishing the same does not arise.

TECHNOLOGY ABSORPTION :

Company's products are manufactured by using inhouse Know how and no outside Technology is being used for manufacturing activities. Therefore no technology absorption is required. The Company constantly strives for maintenance and improvement in quality of its products and entire Research & Development activities are directed to achieve the aforesaid goal.

FOREIGN EXCHANGE EARNINGS AND OUT-GO :

During the period under review there was no in flow or out flow of any foreign exchange.

PARTICULARS OF EMPLOYEES :

The provisions of section 217(2A) of the Companies Act, 1956 are not applicable as no Employee was in receipt of remuneration to the extent laid down therein.

FIXED DEPOSITS :

Your Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made thereunder.

INDUSTRIAL RELATIONS :

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

A Separate report on the Corporate Governance and Management Discussion and Analysis is attached as a part of the Annual Report. The Auditor's Certificate regarding compliance of the conditions of Corporate Governance is also annexed.

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 217 (2AA) of the Companies Act, 1956, the directors would like to state that :

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 or loss of the Company for the year under review.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accor-