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G. M. BREWERIES LIMITED

21st Annual Report 2003-2004

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 Pranlal Mehta	- <i>Director</i>

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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

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/ 24371805 / 841
5660 4653

Factory

S. Veer Savarkar Marg, Virar (East),
Dist. Thane - 401303 State : Maharashtra (India)
Phone : 95250 - 2528728, 2528793, 2529127
(STD code 0250)

Share Transfer Agent

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

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NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Members of G.M. Breweries Limited will be held at Joshi's Kohinoor Hall, 3rd Floor, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025 on Thursday, the 29th of April, 2004 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, 2004 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. Ashwin P. Mehta, 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. John William Almeida as Whole-Time Director (Designated as Director - Factory Operation) of the Company, liable to retire by rotation, on the terms and conditions including remuneration as set out in the Agreement dated 2nd April 2004, entered into between the Company and Mr. John William Almeida, which Agreement is hereby specifically approved, with the liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or Agreement, so as not to exceed the remuneration limits as specified in Schedule XIII of the Companies Act, 1956 or any amendments thereto."

a) **Salary and Perquisites :**

- i) Rs. 25,000/- in the scale of Rs. 25,000/- to Rs. 35,000/- per month inclusive of all allowances and perquisites which will include House Rent Allowance, Car, Electricity, Medical Expenses reimbursement for self and family, club fees, medical insurance etc.
- 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.

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

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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.
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 a **SPECIAL RESOLUTION** :

"RESOLVED THAT pursuant to the provisions of sections 314 and 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 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."

By Order of the Board of Directors

For **G.M. BREWERIES LIMITED**


Mumbai,

Date : 2nd April, 2004

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 and 6 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 26th April, 2004 to 29th April, 2004 (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 29th April, 2004.
- e) Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31st March, 1996 which remained unclaimed for a period of 7 years was required to be transferred by the Company to the Investor Education and Protection Fund (IEPF). Accordingly, the Company has transferred a sum of Rs. 1,84,430/- which remained unpaid out of the dividend pertaining to the year 1995-96 to the Investor Education and Protection Fund during the year. Shareholders are requested to note that no claims shall lie against the Company or the said Fund

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in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due of payments and no payments shall be made in respect of any such claims.

- f) Shareholders desiring any information as regards to the Accounts are required 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.
- g) Members are requested to notify immediately changes, 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, Hornimon Circle, Fort, Mumbai - 400 001. Members are also requested to furnish their Bank details to the company's Share Transfer Agents immediately for printing the same on the dividend warrants/Cheques to prevent fraudulent encashment of the instruments.
- h) 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.
- i) Shri Ashwin P. Mehta, 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. Ashwin P. Mehta
Age	44 years
Qualification	B. Com., F.C.A.
Expertise in Specific Area	Finance, Management Consultancy, Taxation, Audit, Allied Matters.
Date of first Appointment on the Board of the Company	17/11/1994
Name(s) of the Other Companies in which Directorship held and Committee Membership/ Chairmanship held.	Refer to Report on CORPORATE GOVERNANCE

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

The Board of Directors in their meeting held on 2nd April, 2004 had Re-Appointed Shri. John William Almeida as Whole-Time Director (Designated as Director - Factory Operation) Director of the Company for a period of five years with effect from 1st May, 2004, and this appointment shall remain in force from 1st May, 2004 for a period of five years, subject to approval of members in the ensuing annual general meeting.

The Board has also, subject to approval of the share holders, has fixed the remuneration / perquisites / benefits payable to the aforesaid Shri. John William Almeida, Whole-Time Director of the Company from May 1, 2004 shall be as under :

- 1. Name of the appointee Mr. John W.Almeida
- 2. Designation Whole-Time Director
- 3. Tenure Five (5) Years
May 1, 2004
to April 30, 2009
- 4. Salary and Perquisites
 - i) Rs. 25,000/- in the scale of Rs. 25,000/- to Rs. 35,000/- per month inclusive of all allowances and Perquisites which will 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.

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- 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.
- 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.

In the event of absence of or inadequacy of Profit in any Financial Year during his tenure as Whole-Time Director, 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 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 Whole-Time Director with effect from 1st May, 2004.

MEMORANDUM OF INTEREST

Apart from Shri. John William Almeida, Shri. Jimmy William Almeida, Smt. Celina William Almeida and Smt. Jyoti Jimmy Almeida being related to Shri. John William Almeida are interested in the resolution at Item Nos 5.

Except the above mentioned Directors none of the other directors of the Company is concerned or interested in this resolution.

ITEM NO. 6

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 shareholder's 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 re-appoint 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 deemed to be concerned or interested in the resolution.

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

By Order of the Board of Directors

For **G.M. BREWERIES LIMITED**



(JIMMY WILLIAM ALMEIDA)
CHAIRMAN & MANAGING DIRECTOR

Mumbai,

Date : 2nd April, 2004

Registered Office :

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

21st Annual Report 2003-2004**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors have pleasure in presenting their 21st Annual Report together with the Audited Accounts of the Company for the Year Ended 31st March, 2004.

Financial Results :

	Audited 31.03.2004 (12 Months)	(Rs. in lacs) Audited 31.03.2003 (12 Months)
Gross Sales & Services	16434.44	16,181.97
Other Income	28.66	11.43
	<u>16463.10</u>	<u>16193.40</u>
Profit before depreciation and taxation	280.66	295.22
Less : Depreciation	162.60	159.04
Less : Provision for taxation	8.75	23.77
Profit after taxation	109.31	112.41
Add : Balance brought forward from previous year	81.59	39.62
Less : Prior Period adjustment (Net)	9.55	(2.90)
Surplus available for Appropriation	<u>181.35</u>	<u>154.93</u>
<u>APPROPRIATIONS</u>		
General Reserve	10.00	10.00
Proposed Dividend	56.15	56.15
Tax on Dividend	7.19	7.19
Balance carried to Balance Sheet	<u>108.01</u>	<u>81.59</u>
	<u>181.35</u>	<u>154.93</u>

DIVIDEND :

Your Directors have pleasure in recommending for approval of the members at the Annual General Meeting a dividend of 6% (previous year also 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. 16434.44 Lacs, a growth of approximately 2% against Rs.16181.97 Lacs in the previous year. Profit before depreciation and taxation was Rs. 280.66 lacs against Rs. 295.22 Lacs in the previous year. After providing for, depreciation and taxation of Rs. 162.60 Lacs and Rs. 8.75 Lacs respectively, the net profit of the Company for the year under review was placed at Rs. 109.31 Lacs. as against 112.41 lacs in the previous year.

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, 2004 is given below :

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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.

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- iii) The directors have 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;
- iv) The directors have prepared the annual accounts on a going concern basis.

AUDITORS' REPORT :

The observation made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 217 of the Companies Act, 1956.

DIRECTORS

Mr. Ashwin P. Mehta retires by rotation and being eligible, offers himself for re-appointment. The Directors recommend Mr. Ashwin P. Mehta re-appointment.

AUDITORS :

The Auditors M/s. V. P. Mehta & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

ACKNOWLEDGEMENTS :

Your Company and its Directors wish to extend their sincerest thanks to the Bankers, State Government, Customers, Suppliers, Executives, Staff and workers at all levels for their continuous co-operation and support.

**FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS**



**(JIMMY WILLIAM ALMEIDA)
CHAIRMAN & MANAGING DIRECTOR**

Mumbai
2nd April, 2004