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G. M. BREWERIES LIMITED

25th Annual Report 2007-2008



G. M. BREWERIES LIMITED

25th Annual Report 2007-2008**BOARD OF DIRECTORS**

Smt. Celina William Almeida	- <i>Chairperson</i>
Shri. Jimmy William Almeida	- <i>Vice-Chairman & Managing 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>

Auditors

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

Bankers

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

Central Bank of India
Prabhadevi, Mumbai - 400 025

IDBI Bank
Prabhadevi, Mumbai - 400 025

Regd. Office

Ganesh Niwas, S. Veer Savarkar Marg,
Prabhadevi, Mumbai - 400 025
Phone : 24331150 / 51 / 24371805 / 41,
24367005 / 24385540 / 41
Telefax : 24331150 / 51

Factory

S. Veer Savarkar Marg, Virar (East),
Dist. Thane - 401305 State : Maharashtra (India)
Phone : 95250 - 2528728, 2528793, 2529127
(STD code 0250)

Share Transfer Agent

Sharex Dynamic (India) Pvt. Ltd.
Unit - 1, Luthra Indl. Premises, Safed Pool, Andheri
Kurla Rd., Andheri (E), Mumbai - 400 072,
Phone : 28515606, 28515644, Fax : 2851 2885.

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G. M. BREWERIES LIMITED

NOTICE

Notice is hereby given that the 25th 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 - 400025** on **Tuesday the 6th of May, 2008 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, 2008 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 Shri. Ashwin Pranal 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 provision 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 appointment of and payment of remuneration to Shri. Jimmy William Almeida as "Vice-Chairman & Managing Director" of the Company for a period of 5 years with effect from April 1, 2008 upon the terms and conditions and payment of remuneration and other perquisites/benefits during the said period of 5 years as set out in the agreement, copy whereof duly initialled by the Chairperson 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. 2,00,000/- in the scale of Rs. 2,00,000/- to Rs. 5,00,000/- 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 as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company to the Vice – Chairman & 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 Vice – Chairman & Managing 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.

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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 until the conclusion of the 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.”

By Order of the Board of Directors

For G.M.Breweries Limited

Mumbai

Dated : 3rd April, 2008

Registered Office :

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



(JIMMY WILLIAM ALMEIDA)

VICE-CHAIRMAN AND 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 no 5 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/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 3rd May, 2008 to 6th May, 2008 (both days inclusive).
- d) Shareholders desiring any information as regards 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.
- e) 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 Dynamics(India) Pvt. Ltd., Unit -1, Luthra Indl. Premises, Safeed Pool, Andheri Kurla Rd., Andheri (E), Mumbai, - 400 072. 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.
- f) 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.

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- g) Shri. Ashwin Pranlal Mehta, a 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 Pranlal Mehta
Age	48 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 and 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 3rd January, 2008 had Appointed Shri. Jimmy William Almeida as "Vice-Chairman & Managing Director" of the Company for a period of 5 years from 1st April, 2008, 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, Vice - Chairman & Managing Director from April 1, 2008 shall be as under :

1. Name of the appointee - Shri. Jimmy William Almeida
2. Designation - Vice - Chairman & Managing Director
3. Tenure - Five(5) years From April 1, 2008
4. Salary - Rs. 2,00,000/- p.m in the scale of Rs. 2,00,000/- Rs. 5,00,000/- p.m
5. 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.
 - 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 the tenure, the remuneration shall be governed as provided under Section II of Part II of Schedule XIII to the Companies Act, 1956.

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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 resolution specified under **SPECIAL BUSINESS** as item no 5 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 Vice-Chairman & Managing Director with effect from 1st April, 2008.

MEMORANDUM OF INTEREST

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

Except the above mentioned Directors none of the 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 Annual 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 this resolution.

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

By Order of the Board of Directors

For **G.M. BREWERIES LIMITED**

Mumbai,
Date : 3rd April, 2008

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



(JIMMY WILLIAM ALMEIDA)
VICE - CHAIRMAN & MANAGING DIRECTOR

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FINANCIAL HIGHLIGHTS FOR THE PAST 15 YEARS

(Rs. in Lacs)

Year	Share Capital	Reserves & Surplus	Total Own Funds	Bank Secured Borrow.	Current Liabilities	Contingent Liabilities	Total Liabilities	Gross Fixed Assets	Current Assets	State Excise Duty Pd.	Sales Tax Pd.	Total Rev. To State Govt.	Interest & Financial Charges	Gross Sales	Profit Before Tax	Tax Prov.	Profit After Tax	Dividend Paid (%)
2008	936.66	3607.85	4544.51	1453.01	1688.45	Nil	3141.46	8504.03	1631.42	24586.34	7089.95	31676.29	179.35	50259.70	2249.33	776.23	1473.10	25*
2007	936.66	2416.27	3352.93	1432.78	1827.28	NIL	3260.06	7201.61	1486.27	21349.28	6145.37	27494.65	199.87	44796.28	1806.35	619.79	1186.56	18
2006	936.66	1462.22	2398.88	2316.99	2050.55	NIL	4367.54	5921.63	3316.52	16227.00	4743.55	20970.55	261.15	36451.47	2027.47	688.92	1338.55	15
2005	936.66	508.25	1444.91	2041.05	1841.39	NIL	3882.44	4985.29	1761.63	9048.75	3258.33	12307.08	295.48	19481.76	100.71	25.44	75.27	06
2004	936.66	498.96	1435.62	2235.32	1361.40	NIL	3596.72	4710.52	1569.49	8256.63	2745.62	11002.25	331.67	16434.44	118.06	8.75	109.31	06
2003	936.66	462.54	1399.20	2526.09	1522.61	NIL	4048.70	4563.18	1976.74	8014.83	2701.51	10716.34	390.47	16181.97	136.18	23.77	112.41	06
2002	936.66	443.42	1380.08	2537.66	2141.36	NIL	4679.02	4438.58	2442.38	7137.76	2421.23	9558.99	442.79	14510.04	124.47	40.23	84.24	06
2001	936.57	411.41	1347.98	2812.21	2071.89	NIL	4884.10	4330.40	2619.07	6110.16	1972.39	8082.55	556.08	13089.30	70.73	6.00	64.73	05
2000	936.57	399.09	1335.66	3467.89	1931.85	42.75	5442.49	4287.85	2909.46	5817.59	336.34	6153.93	614.53	10487.73	51.03	6.00	45.03	04
1999(18 Months)	936.57	445.72	1382.29	3026.26	1223.84	595.95	4846.05	3359.99	2654.70	8149.59	--	8149.59	1095.21	15110.86	169.95	17.00	152.95	06
1997(18 Months)	936.57	1217.20	2153.77	4490.41	1078.44	674.99	6243.84	3814.31	3316.29	8239.40	--	8239.40	1436.89	15159.43	163.74	20.00	143.74	09
1996	936.57	1267.10	2203.67	2809.07	1521.99	1798.91	6129.97	2887.73	2890.50	5740.47	--	5740.47	512.56	10419.16	450.31	50.00	400.31	12
1995	935.02	988.71	1923.73	2035.80	1036.34	1708.38	4780.52	2176.78	2355.59	4681.55	--	4681.55	222.57	8207.67	595.46	116.50	478.96	20
1994	868.19	664.01	1532.20	311.50	557.53	624.55	1493.58	897.68	1690.23	3886.57	--	3886.57	143.01	6148.76	327.22	23.00	304.22	20
1993	337.25	127.69	464.94	368.22	383.97	NIL	752.19	435.73	841.30	2019.27	--	2019.27	62.62	3243.55	64.18	17.60	46.58	--

* Proposed

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DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting their 25th Annual Report together with the Audited Accounts of the Company for the Year Ended 31st March, 2008.

Financial Results :

	Audited 31.03.2008	(Rs. in lacs) Audited 31.03.2007
Gross Sales	50259.70	44796.28
Other Income	29.67	25.66
	<u>50289.37</u>	<u>44821.94</u>
Profit before depreciation and taxation	2523.35	2039.57
Less : Depreciation	274.02	233.22
Less : Provision for taxation	776.23	619.79
Less : Prior Period adjustments (Income Tax)	7.80	35.43
Profit after taxation	1465.30	1151.13
Add : Balance brought forward from previous year	65.32	61.27
Surplus available for Appropriation	<u>1530.62</u>	<u>1212.40</u>
<u>APPROPRIATIONS</u>		
General Reserve	1200.00	950.00
Proposed Dividend	233.96	168.45
Tax on Dividend	39.76	28.63
Balance carried to Balance Sheet	56.90	65.32
	<u>1530.62</u>	<u>1212.40</u>

DIVIDEND :

Your Directors have pleasure in recommending for approval of the members at the Annual General Meeting a dividend of 20% (previous year 18%) and a Special dividend of 5% in commemoration of the 25th Annual General Meeting of the Company. The total Dividend of 25 %, if approved at the Annual General Meeting, will result in the out flow of Rs. 233.96 lacs to the company in addition to Rs. 39.76 lacs by way of dividend distribution tax.

OPERATIONAL REVIEW :

Gross revenues increased to Rs. 50289.37 Lacs, a growth of around 12.19 % against Rs. 44821.94 Lacs in the previous year. Profit before depreciation and taxation was Rs. 2523.35 lacs against Rs. 2039.57 Lacs in the previous year. After providing for depreciation and taxation of Rs. 274.02 Lacs and Rs. 776.23 Lacs respectively, the net profit of the Company for the year under review was placed at Rs. 1473.10 Lacs.as against Rs. 1186.56 lacs in the previous year.

The Company's performance for the year 2007-08 shows satisfactory growth in sales and profits. Even though there was an increase in the costs of the packing materials and other consumables, the drop in the price of raw materials

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compensated the negative impact on such a an increase and hence the profitability could be improved.

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, 2008 is given below :

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 quantifiable, 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 there under.

INDUSTRIAL RELATIONS :

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

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.