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G. M. BREWERIES LIMITED

26th Annual Report 2008-2009

G. M. BREWERIES LIMITED

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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NOTICE

Notice is hereby given that the 26th 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 5th of May, 2009 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, 2009 and Profit and Loss Account for the year ended on that date, the Reports of Directors and Auditors thereon.
- 2) To declare dividend on the equity shares.
- 3) To appoint a Director in place of Smt. Jyoti J. Almeida, who retires by rotation and being eligible, offers herself 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. John William Almeida as "Whole-Time Director-Factory Operations" of the Company for a period of 5 years with effect from May 1, 2009 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 where of duly initialed 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. 70,000/- in the scale of Rs. 70,000/- to Rs. 90,000/- per month.

b) Perquisites :

- i) Perquisites includes 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.

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-Factory Operations, 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

G. M. BREWERIES LIMITED

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 : 4th April, 2009

Registered Office :

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



(JIMMY WILLIAM ALMEIDA)
VICE-CHAIRMAN AND MANAGING DIRECTOR

NOTES :

- 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 in annexed hereto.
- 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.
- The Register of Members and Transfer Books of the Company will remain closed from 29th April, 2009 to 5th May, 2009 (both days inclusive).
- 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.
- 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 -I, 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.
- 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.
- Smt. Jyoti Jimmy Almeida, 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	Smt. Jyoti J. Almeida
Age	41 years
Qualification	B.Com.
Expertise in Specific Area	Finance , Taxation, Audit and Allied Matters.
Date of first Appointment on the Board of the Company	30-07-1998
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 4th April, 2009 has Appointed Shri. John William Almeida as "Whole-Time Director – Factory Operations" of the Company for a period of 5 years from 1st May, 2009, 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/persuities/benefits payable to the aforesaid Shri. John William Almeida, "Whole-Time Director - Factory Operations" from May 1, 2009 as under :

- | | | |
|--------------------------|---|---|
| 1. Name of the appointee | - | Shri. John William Almeida |
| 2. Designation | - | Whole-Time Director – Factory Operations |
| 3. Tenure | - | Five(5) years From May 1, 2009 |
| 4. Salary | - | Rs. 70,000/- p.m. in the scale of Rs. 70,000/- to Rs. 90,000/- 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.

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 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 – Factory Operations with effect from 1st May ,2009.

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MEMORANDUM OF INTEREST

Shri. Jimmy William Almeida, Smt. Jyoti Jimmy Almeida and Smt. Celina William Almeida being related to Shri. John 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 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 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 : 4th April, 2009

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



(JIMMY WILLIAM ALMEIDA)
VICE – CHAIRMAN & MANAGING DIRECTOR

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 (%)
2009	936.66	4249.11	5185.77	1457.52	1844.38	Nil	3301.90	9614.80	1647.03	26721.09	7416.40	34137.49	189.55	55110.92	1384.91	479.38	905.53	20*
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

* Proposed

G. M. BREWERIES LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting their 26th Annual Report together with the Audited Accounts of the Company for the Year ended 31st March, 2009.

Financial Results :

	Audited 31.03.2009	(Rs. in lacs) Audited 31.03.2008
Gross Sales	55110.92	50259.70
Other Income	22.12	29.67
	<u>55133.04</u>	<u>50289.37</u>
Profit before depreciation and taxation	1705.74	2523.35
Less : Depreciation	320.83	274.02
Less : Provision for taxation	479.38	776.23
Less : Prior Period adjustments (Income Tax)	45.30	7.80
Profit after taxation	860.23	1465.30
Add : Balance brought forward from previous year	56.90	65.32
Surplus available for Appropriation	<u>917.13</u>	<u>1530.62</u>
APPROPRIATIONS		
General Reserve	640.00	1200.00
Proposed Dividend	187.16	233.96
Tax on Dividend	31.81	39.76
Balance carried to Balance Sheet	58.16	56.90
	<u>917.13</u>	<u>1530.62</u>

DIVIDEND :

Your Directors have pleasure in recommending for approval of the members at the Annual General Meeting a dividend of 20 % (previous year 20 % and a Special dividend of 5 % in commemoration of the 25th Annual General Meeting of the Company). The Dividend of 20 % if approved at the forth coming Annual General Meeting , will result in the out flow of Rs. 187.16 lacs to the company in addition to Rs. 31.81 lacs by way of dividend distribution tax.

OPERATIONAL REVIEW :

Gross revenues increased to Rs. 55133 Lacs, a growth of around 9.63 % against Rs. 50289 Lacs in the previous year. Profit before depreciation and taxation was Rs. 1706 lacs against Rs. 2523 Lacs in the previous year. After providing for depreciation and taxation of Rs. 321 Lacs and Rs. 479 Lacs respectively, the net profit of the Company for the year under review was placed at Rs. 906 Lacs.as against Rs. 1473 lacs in the previous year.

The Company's performance for the year 2008-09 shows satisfactory growth in terms of sales. However there was a decline in profits due to abnormal rise in the price of its main raw material i.e rectified spirit throughout the year which had to be absorbed by the Company to a major extent to maintain the sales volumes. But for the marginal drop in the cost of packing

material and other consumables, the impact of the "price increase" in raw material on the profitability would have been much higher.

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, 2009 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 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 in house 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.

G. M. BREWERIES LIMITED

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 account on a going concern basis.

SUBSIDIARY COMPANIES :

The Company does not have any subsidiary.

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 :

Smt. Jyoti Jimmy Almeida retires by rotation and being eligible, offers herself for re-appointment. The Directors recommend Smt. Jyoti Jimmy Almeida's 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.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS

The Corporate Governance and Management Discussion & Analysis Reports, which form an integral part of this Report are set out as separate Annexures, together with the certificate from the auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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 assistance.

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



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

Mumbai
4th April, 2009