



G. M. BREWERIES LIMITED

29th Annual Report 2011-2012

G. M. BREWERIES LIMITED

BOARD OF DIRECTORS

Shri. Jimmy William Almeida	- <i>Chairman & Managing Director</i>
Smt. Jyoti Jimmy Almeida	- <i>Whole-Time Director</i>
Shri. Mukund Govind Diwan	- <i>Director</i>
Shri. Ashwin Pranlal Mehta	- <i>Director</i>
Shri. Paresh Nanubhai Trivedi	- <i>Director</i>

Chief Financial Officer

Shri. S. Swaminathan

Company Secretary & Manager Accounts

Shri. Sandeep Kutchhi

Auditors

M/s. V. P. Mehta & Company
Chartered Accountants
17, Hem Prakash, 90/92, Kazi Syed Street,
Mumbai - 400 003.

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
E-mail : info@gmbreweries.com
Website : www.gmbreweries.com

Factory

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

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 29th 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 Thursday the 10th of May, 2012 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, 2012 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 Mr. Paresh N Trivedi 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 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.”

Mumbai
Dated : 03 April 2012

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

By Order of the Board of Directors
For G.M.Breweries Limited



Jimmy William Almeida
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 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 4th May, 2012 to 10th May, 2012 (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.

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- 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, Safed 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 dematerialized 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.
- g) Mr. Paresh N Trivedi – Director retires by rotation and, being eligible, offers himself for re-appointment at the Annual General Meeting. A brief resume of the said director is given below.

Name	Mr. Paresh N. Trivedi
Age	49
Qualification	B.E. Chemicals
Expertise in Specific Area	Research and Energy Savings
Date of first Appointment on the Board of the Company	21-01-2010
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 :

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

By Order of the Board of Directors
For G. M. Breweries Limited

Mumbai,
Date : 03 April 2012



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

Jimmy William Almeida
Chairman & Managing Director

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DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting their 29th Annual Report together with the Audited Accounts of the Company for the Year ended 31st March, 2012.

Financial Results:

(Rs. in Lacs)

Particulars	March 31, 2012	March 31, 2011
Gross Sales	87,334.09	67,031.70
Less: State Excise & VAT	61,635.94	43,868.87
Net Sales	25,698.15	23,162.83
Other Income	331.76	281.96
Total	26,029.91	23,444.79
Profit before depreciation & taxation	2,470.13	3,524.96
Less: Depreciation	382.24	357.94
Less: Provision for taxation	704.73	1,084.68
Add: Prior period adjustment (Taxation)	–	20.68
Profit after taxation	1,383.16	2,103.02
Add: Balance brought forward from previous year	1,729.37	199.16
Surplus available for appropriation	3,112.53	2,302.18
Appropriations		
General reserves	300.00	300.00
Proposed Dividend	233.95	233.95
Tax on Dividend	38.86	38.86
Balance carried to Balance sheet	2,539.72	1729.37
Total	3,112.53	2,302.18

DIVIDEND:

Your Directors have pleasure in recommending for approval of the members at the Annual General Meeting a dividend of 25 % (at par with the previous year). The Dividend of 25 %, if approved at the forth coming Annual General Meeting, will result in the out flow of Rs. 233.95 lacs to the company in addition to Rs. 38.86 lacs by way of dividend distribution tax.

OPERATIONAL REVIEW :

Gross revenues increased to Rs. 87,334.09 Lacs, a growth of around 30.29% against Rs. 67,031.70 Lacs in the previous year. Profit before depreciation and taxation was Rs.2,470.13 lacs against Rs. 3524.96 Lacs in the previous year. After providing for depreciation and taxation of Rs. 382.24 & Rs.704.73 Lacs respectively, the net profit of the Company for the year under review was placed at Rs. 1383.16 Lacs as against Rs 2103.02 lacs in the previous year.

Inspite of tough market conditions, high levels of taxation and huge increase in the price of main raw material i.e Rectified Spirit, your Company has managed to achieve reasonably good performance during the year under review. The erosion in profit is mainly due to inordinate increase in the prices of Rectified Spirit almost for the entire year.

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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, 2012 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 foreign exchange out flow.

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 judgments 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 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.

AUDITOR'S 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:

- a). Shri Paresh N Trivedi retires by rotation and, being eligible, offers himself for re appointment. The Directors recommend Shri. Paresh N Trivedis re-appointment.
- b). Smt. Celina William Almeida – Director and Shri. John William Almeida - Whole-time Director resigned from the Board during the course of the year. The Board would like to express its gratitude and also place on record the invaluable contributions made by both for the development and growth of the company during their tenure as directors.

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 Report, 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 Members of the Company, 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
Chairman & Managing Director

Mumbai
03 April 2012

G. M. BREWERIES LIMITED

AUDITORS' REPORT

TO THE MEMBERS OF G.M. BREWERIES LIMITED

We have audited the attached Balance Sheet of G.M. Breweries Limited as at 31st March, 2012 and the profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting accounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1) As required by the Companies (Auditors' Report) order, 2003 (as amended) issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said orders.
- 2) Further to our comments in the Annexure referred to in paragraph 1 above:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of such books.
 - c) The Balance Sheet, profit and Loss Account and Cash Flow Statement referred to in this report, are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow statement dealt with by this report are in compliance with the Accounting Standards referred to in section 211(3c) of the Companies Act, 1956.
 - e) On basis of written representation received from the Directors, as on 31st March 2012 and taken on record by the board of Directors, we report that none of the Directors is disqualified as on 31st March 2012 from being appointed as a director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- 3) Subject to the foregoing and in our opinion and to the best of our information and according to the explanation given to us, the said Accounts read together with the schedules and the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - I. In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012 and:
 - II. In so far as it relates to the Profit & Loss Account, of the Profits of the Company for the year ended on that date annexed thereto.
 - III. In case of the Cash Flow statement, of the Cash Flow for the year ended on that date.

For V.P. Mehta & Company
Chartered Accountants
Firm Registration No.106326W

Mumbai
03 April 2012

Vipul P. Mehta
Proprietor
Membership No : 35722

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date)

1. a) The Company has maintained proper records to show full particulars including quantitative details and situations of fixed assets.
b) As per the information and explanations given to us, the fixed assets of the Company have been physically verified by the management at reasonable intervals and no serious discrepancies between the book records and physical verification were noticed.
c) During the year the Company has not disposed off any substantial /major part of fixed assets.
2. a) As per the information and explanations given to us, the inventories have been physically verified by the management at reasonable intervals during the year.
b) In our opinion and as per the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
c) The Company is maintaining proper records of inventories. In our opinion, discrepancies noticed on physical verification of inventory were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
3. As per information furnished, the company has not granted or taken any loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of audit, no major weakness has been noticed in the internal controls.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under sec 301 have been so entered.
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under sec 301 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. As the company has not accepted any deposits from the public within the meaning of the provisions of Sec 58A and 58AA of the Companies Act, 1956 and rules made there under, clause (vi) of the order is not applicable.
7. In our opinion, the company has an internal audit system commensurate with the size of the Company and nature of its business.
8. The maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956.
9. (a) According to information and explanations given to us and the records examined by us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, value added tax, wealth tax, custom duty, excise duty, cess and other statutory dues wherever applicable.
(b) According to information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March 2012, for a period of more than six months from the date they became payable.

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(c) According to the records of the Company, there are no dues outstanding in respect of income tax, MVAT, customs duty, wealth-tax, service tax, excise-duty, cess, etc, on account of any dispute.

10. There are no accumulated losses of the Company as on March 31, 2012. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to Banks and payments have been made as per the repayment schedule sanctioned by the banks. The Company has no borrowings from financial institutions or by way of debentures.
12. Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/ or advances on basis of security by way of pledge of shares, debentures and other securities.
13. Clause (xiii) of the order is not applicable to the Company as the Company is not a Chit fund company or nidhi/ mutual benefit fund/ society.
14. Clause (xiv) of the order is not applicable to the Company as the Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The company has applied funds from term loans raised during the year only for the purpose for which those term loans were raised.
17. During the year under purview the Company has not made any long term Investments out of funds raised on short-term basis or vice versa.
18. The Company has not made any preferential allotment of shares during the year.
19. Clause (xix) of the order is not applicable to the company, as the Company has not issued any debentures.
20. The Company has not raised any money by public issues during the year covered by our report.
21. As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For V. P. Mehta & Company
Chartered Accountants
Firm Registration No.106326W

Vipul P. Mehta
Proprietor
Membership No : 35722

Mumbai
03 April 2012