



G. M. BREWERIES LIMITED

30th Annual Report 2012-2013

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 30th 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 May 07, 2013 at 04.30 p.m. to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the Balance Sheet as at March 31, 2013 and Profit and Loss Account for the year ended on that date, the Reports of Directors and Auditor's thereon.
2. To declare dividend on the equity shares.
3. To appoint a Director in place of Mrs. Jyoti Jimmy Almeida who retires by rotation and being eligible, offers herself for re- appointment.
4. To appoint a Director in place of Mr. Ashwin Mehta who retires by rotation and being eligible, offers himself for re- appointment.
5. 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:

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 appointment of and payment of remuneration to Mr. Jimmy William Almeida as "Chairman & Managing Director" of the Company for a period of 5 years with effect from April 1, 2013 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 initialed 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 & Perquisites:

Rs. 6,00,000/- in the scale of Rs. 6,00,000/- to Rs.11,00,000/- per month inclusive of all allowances and perquisites which will include House Rent Allowance, Electricity, Medical Expenses reimbursement for self and family, Leave Travel Concession for self and family, club fees, medical Insurance etc.
 - b) Provision of car for use on the 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 Chairman & Managing Director.
 - c) Company's contribution to Provident Fund, Gratuity and encashment of leave as per the rules of the Company and the same shall not be included in the computation of the limits of Salary, or perquisites as aforesaid.
 - d) Leave on full pay as per the rules of the Company, subject to a maximum of one month's leave for every eleven months service.
 2. FURTHER RESOLVED THAT in the event of absence of or inadequacy of profit in any Financial Year during the tenure of the 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.
 3. RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do and perform

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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 Companies Act, 1956, Consent of the Company be and is hereby accorded to Mr. Vipul P. Mehta, Proprietor of M/s. V.P. Mehta & Co., Chartered Accountants, relative of Mr. 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
April 04, 2013

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 6 & 7 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 April 30, 2013 to May 07, 2013 (both days inclusive) for the payment of dividend.
- d) The Dividend, after declaration, will be paid to those members of the Company whose names stand on the register of Members on May 07, 2013. However, the dividend in respect of shares held in dematerialized form in the depository system will be paid to the beneficial owners of shares as on April 29, 2013 as per the list provided by the depositories for this purpose.
- e) 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.
- f) 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.
- g) 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.

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- h) Mrs. Jyoti Jimmy Almeida & Mr. Ashwin Mehta – directors retire by rotation and, being eligible, offer for re-appointment at the Annual General Meeting. A brief resume of the said directors is given below.

Name	Mrs. Jyoti Jimmy Almeida	Mr. Ashwin Mehta
Age	45 Years	53 Years
Qualification	B.Com.	B.Com., F.C.A
Expertise in Specific Area	Finance, Taxation, Audit & allied matters	Finance, Management Consultancy, Taxation, Audit & allied matters
Date of first Appointment on the Board of the Company	July 30, 1998	November 17, 1994
Name(s) of the Other Companies in which Directorship and Chairmanship held.	Refer to Report on CORPORATE GOVERNANCE	Refer to Report on CORPORATE GOVERNANCE

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

ITEM NO. 6 :

The Board of Directors in their meeting held on April 04, 2013 had reappointed Mr. Jimmy William Almeida as “Chairman & Managing Director” of the Company for a period of 5 years from April 01, 2013, 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, fixed the remuneration / perquisites / benefits payable to the aforesaid Mr. Jimmy William Almeida, Chairman & Managing Director, from April 1, 2013 as under:

1. Name of the appointee- Mr. Jimmy William Almeida
2. Designation- Chairman & Managing Director
3. Tenure- Five(5) years From April 1, 2013
4. Salary & Perquisites
 - a) Rs. 6,00,000/- in the scale of Rs. 6,00,000/- to Rs.11,00,000/- per month inclusive of all allowances and perquisites which will include House Rent Allowance, Electricity, Medical Expenses reimbursement for self and family, Leave Travel Concession for self and family, club fees, medical Insurance etc.
 - b) Provision of car for use on the 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 Chairman & Managing Director.
 - c) Company’s contribution to Provident Fund, Gratuity and encashment of leave as per the rules of the Company and the same shall not be included in the computation of the limits of Salary, or perquisites as aforesaid.
 - d) Leave on full pay as per the rules of the Company, subject to a maximum of one month's leave for every eleven months service.

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 are hereby authorised to alter and vary the terms and conditions and grant

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increment(s) and other perquisites to respective individual 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 director.

The above mentioned explanatory statement read together with the resolutions specified under **SPECIAL BUSINESS** as item no 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 Chairman & Managing Director with effect from April 01, 2013.

MEMORANDUM OF INTEREST

Mr. Jimmy William Almeida and Mrs. Jyoti Jimmy Almeida (being related to Mr. Jimmy William Almeida), are deemed to be concerned and interested in the resolution at Item No 6.

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

ITEM NO.7

Mr. Vipul P. Mehta, Proprietor of M/s. V. P. Mehta & Co., Chartered Accountants, the retiring Auditors of the Company, is a relative of Mr. 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 Mr. 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.

Mr. Vipul P. Mehta is related to Mr. Ashwin P. Mehta, a Director of the Company and to that extent Mr. 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,
April 04, 2013

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 30th Annual Report together with the Audited Accounts of the Company for the Year ended March 31, 2013.

Financial Results:

(Rs. in Lacs)

Particulars	March 31, 2013	March 31, 2012
Gross Sales	93,880.06	87,334.09
Less: State Excise & Vat	65,104.17	61,635.94
Net Sales	28,775.89	25,698.15
Other Income	141.33	331.76
Total	28,917.22	26,029.91
Profit before depreciation & taxation	2,504.03	2,470.13
Less: Depreciation	408.25	382.24
Less: Provision for taxation	703.38	704.73
Less: Prior period adjustment (Taxation)	114.99	-
Profit after taxation	1,277.41	1,383.16
Add: Balance brought forward from previous year	2,539.72	1,729.37
Surplus available for appropriation	3,817.13	3,112.53
Appropriations		
General reserves	300.00	300.00
Proposed Dividend	233.95	233.95
Tax on Dividend	37.95	38.86
Balance carried to Balance sheet	3,245.23	2,539.72
Total	3,817.13	3,112.53

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. 37.95 lacs by way of dividend distribution tax.

OPERATIONAL REVIEW:

Gross revenues increased to Rs. 93,880.06 Lacs, a growth of around 7.50 % against Rs. 87,334.09 Lacs in the previous year. Profit before depreciation and taxation was Rs. 2504.03 lacs against Rs. 2,470.13 Lacs in the previous year. After providing for depreciation and taxation of Rs. 408.25 & Rs 818.37 Lacs (Including current & earlier years taxation) respectively, the net profit of the Company for the year under review was placed at Rs. 1,277.41 Lacs as against Rs 1383.16 lacs in the previous year.

Inspite of tough market conditions, exorbitant levels of taxation and huge increase in the price of main raw material i.e. Rectified Spirit and packing materials, your Company has managed to achieve satisfactory performance during the year under review. Even though there was about 12% increase in net sales the profits have remained stagnant. The drop in profitability is mainly due to inordinate increase in the prices of Rectified Spirit and packing materials 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 March 31, 2013 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 earnings or 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 accounts 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:

Mrs. Jyoti Jimmy Almeida & Mr. Ashwin Mehta retire by rotation and, being eligible, offer themselves for re-appointment. The Directors recommend Mrs. Jyoti Jimmy Almeida & Mr. Ashwin Mehta for 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 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, Local Bodies, 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
April 04, 2013

G. M. BREWERIES LIMITED

AUDITORS' REPORT

TO THE MEMBERS OF G.M. BREWERIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of G.M.Breweries Limited ('the Company') which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Managements responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance sheet, of the state of affairs of the company as at March 31, 2013;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - 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;