



G. M. BREWERIES LIMITED

31st Annual Report 2013-2014

G. M. BREWERIES LIMITED

BOARD OF DIRECTORS

Shri. Jimmy Almeida	- Chairman & Managing Director
Smt. Jyoti Almeida	- Whole-Time Director
Shri. Mukund Diwan	- Director
Shri. Paresh Trivedi	- Director
Shri. Kiran Parashare	- Director
Shri. Dilip Diwan	- Director

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 : 24229922
E-mail : info@gmbreweries.com
Website : www.gmbreweries.com
CIN : L15500MH1981PLC025809

Factory

S. Veer Savarkar Marg, Virar (East),
Dist. Thane - 401305 State : Maharashtra (India)
Phone : 0250 - 6293232/33, 6093232/33

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 31st 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 May 06, 2014 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, 2014 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 for the financial year 2013-2014.
3. To appoint a Director in place of Mr. M.G.Diwan who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. P.N.Trivedi who retires by rotation and being eligible, offers himself for re- appointment.
5. To consider and if thought fit, to pass with or without modification, the following resolution as ordinary resolution:

RESOLVED THAT M/s. V. P. Mehta & Company (Registration number 106326W with the Institute of Chartered Accountants of India) be and are hereby re-appointed as Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided by Audit committee/ Board of Directors in consultation with the Auditors.

Special Business:

6. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION:**

Issue of Bonus Shares

"RESOLVED THAT pursuant to applicable provisions of the Companies Act,2013, Article 171 of the Articles of Association of the Company and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009(the regulations) and subject to such other necessary approvals, permissions and sanctions, as may be required and subject to such terms and modifications as may be specified while according such approvals, The Board of Directors of the Company(herein after referred to as " The Board" which term shall be deemed to include any committee which the Board may constitute to exercise its power, including powers conferred by this resolution),be and is hereby authorized to capitalize a sum not exceeding Rs.2,33,95,250/-out of the company's Share Premium Account as per the audited accounts of the company for the financial year ended March 31,2014 and that the said amount be transferred to share capital account and be applied for issue and allotment of equity shares not exceeding 23,39,525 equity shares of Rs.10/- each as bonus shares credited as fully paid up, to the eligible members of the company holding equity shares of Rs.10/- each whose names appear on the company's register of members on such date(record date) as the Board may determine, in the proportion of One new fully paid equity share of Rs. 10/- each for every four equity shares of Rs.10/- each held as on record date and that the new bonus shares so issued and allotted be treated for all purpose as an increase of the nominal amount of equity capital of the company held by each such member and not as income.

RESOLVED FURTHER THAT:

- 1) The new equity shares of Rs.10/- each to be issued and allotted as bonus shares shall be subject to the provisions of Memorandum of Association and Articles of Association of the company and shall rank pari passu in all respects with and carry the same rights as the existing fully paid up equity shares of the company and shall be entitled to participate in full in any dividends to be declared for the financial year in which the Bonus shares are allotted.

G. M. BREWERIES LIMITED

- 2) The share certificate for bonus shares be delivered to the shareholders who hold the existing equity shares in physical form and the respective beneficiary accounts be credited with the bonus shares, for such share holders who hold the existing equity shares in dematerialized form, within the prescribed period.
- 3) Consent be and is hereby granted to the Board to issue, wherever necessary, coupons or fractional certificates or where coupons or fractional certificates cannot be issued under the prevailing laws, to provide for payment of equivalent of the value, in cash.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of bonus shares so allotted on the Stock Exchanges where the securities of the company are listed as per the provisions of the listing agreement with the stock exchanges concerned, the regulations and other applicable laws and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution , the Board be and is hereby authorized to do all such acts, deeds, matters and things as may, in its absolute discretion, deem necessary, expedient, usual or proper and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of the bonus shares and /or issuance of coupons or fractional certificates without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto and for matters connected herewith or incidental hereto expressly by the authority of this resolution.

7. To consider and if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION:**

To increase the authorised capital of the company.

RESOLVED THAT pursuant to provisions of section 61(a) of the Companies Act, 2013, the Authorised Share Capital of the Company be increased from Rs.25,00,00,000/- to Rs.70,00,00,000/- by creation of 4,25,00,000 further equity shares of Rs.10/- each and 25,00,000 unclassified shares of Rs.10/- each ranking pari passu with the existing equity shares of the Company.

RESOLVED FURTHER THAT in compliance with the provisions of section 13 of the Companies Act, 2013, the existing capital clause no. V appearing in the Memorandum of Association be substituted with the following new clause.

“ V. The Authorised Share Capital of the Company is Rs.70,00,00,000/- (Rupees Seventy crores only) Divided into 6,00,00,000 (Six Crores) Equity Shares of Rs.10/- (Rupees Ten Only) each and 1,00,00,000 (One Crore) Unclassified shares of Rs.10/- (Rupees Ten only) each, with the rights, privileges and conditions attaching there to as are provided by the Articles of Association of the Company for the time being, with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes of special rights, privileges, or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being provided by the Articles of Association of the Company.”

RESOLVED FURTHER THAT in compliance with the provisions of Section 14 of the Companies Act, 2013 the existing capital clause appearing in Article 4 of Articles of Association be substituted by the following new article.

“ 4. The authorised Share Capital of the Company shall be Rs.70,00,00,000/- (Rupees Seventy Crores only) divided into 6,00,00,000 (Six Crore) equity shares of Rs.10/- (Rupees Ten Only) each and 1,00,00,000 (One Crore) Unclassified Shares of Rs.10/- (Rupees Ten Only) each.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do

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all acts, deeds and things necessary to give effect to increase in authorised share capital and necessary alterations in memorandum and articles of association.

8. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION:**

RESOLVED THAT Mr. Kiran Y. Parashare, who was co-opted as additional director on the Board of the Company with effect from January 07, 2014 and who ceases to hold the office at this Annual General Meeting and in respect of whom a notice under section 160 of the Companies Act, 2013 has been received from a member along with requisite deposit proposing his candidature for the office of a Director on the Board of the Company, be and is hereby appointed as a director on the Board, liable to retire by rotation.

9. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION:**

RESOLVED THAT Mr. Dilip J. Diwan, who was co-opted as additional director on the Board of the Company with effect from March 29, 2014 and who ceases to hold the office at this Annual General Meeting and in respect of whom a notice under section 160 of the Companies Act, 2013 has been received from a member along with requisite deposit proposing his candidature for the office of a Director on the Board of the Company, be and is hereby appointed as a director on the Board, liable to retire by rotation.

Mumbai
April 03, 2014

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



Jimmy Almeida
Chairman and Managing Director

Registered Office :
Ganesh Niwas, S.Veer Savarkar Marg,
Prabhadevi, Mumbai - 400 025.
CIN : L15500MH1981PLC025809

NOTES: -

- a) The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 in respect of the Special Business under item no 6 to 9 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 Dividend, after declaration, will be paid to those members of the Company whose names stand on the register of Members on the record date to be fixed by the Board for this purpose.
- d) The bonus shares, after approval, will be issued to those members of the Company whose names stand on the register of Members on the record date to be fixed by the Board for this purpose, within the prescribed period.
- 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.

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- 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.
- h) Mr. M.G.Diwan & Mr. P. N. Trivedi – 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	Mr. Mukund Govind Diwan	Mr. Paresh Nanubhai Trivedi
Age	82 Years	49 Years
Qualification	M.Sc., F.I.A, F.A.S.I, F.I.I.I	B.E. Chemicals
Expertise in Specific Area	Actuary, Insurance, Finance & Management	Research and Energy Savings
Date of first Appointment on the Board of the Company	20.12.1992	21.01.2010
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 102 OF THE COMPANIES ACT, 2013

ITEM NO. 6:

The company has completed very successful financial year 2013-14 in which it has posted the highest ever net profit after tax of Rs.21.54 crores. The reserves of our company have reached to Rs.105.14 Crores. To reward the share holders in this successful value creation cycle, the Board of Directors, at their meeting held on April 03, 2014 has recommended an issue of Bonus shares in the proportion of 1:4 i.e. One fully paid equity share of Rs.10/- each for every Four fully paid equity shares of Rs.10/- each, to the eligible members of the company as on the record date to be fixed by the Board for this purpose.

The bonus shares shall be issued pursuant to the applicable provisions of the Companies Act, 2013, article 171 of the Articles of Association of the company, the Securities and Exchange Board of India(issue of Capital and Disclosure Requirement) Regulations, 2009 and subject to such other approvals, if any required, after capitalizing a sum not exceeding Rs. 2,33,95,250/- from the Company's Share Premium Account.

The bonus shares so allotted shall rank pari passu in all respects and carry the same rights as the existing fully paid up equity shares of the company and shall be entitled to participate in full in any dividends to be declared for the financial year in which the bonus shares are allotted. In case of fractions, the shareholders will be issued coupons or fractional certificates or cash payment in lieu thereof, in accordance with listing requirements and other applicable laws.

The Directors of the company may be deemed to be concerned or interested in the issue of the bonus shares to the extent of their respective holding in the company or to the extent of the shareholdings of the companies/institutions/trusts of which they are directors or members or trustees without any beneficial interest.

The Board recommends the Ordinary Resolution as set out in Notice for your approval.

ITEM NO. 7:

The Authorised Capital of the Company presently is Rs.25,00,00,000/- (Rupees Twenty Five Crore) divided into

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1,75,00,000 (One Crore Seventy Five Lacs) equity shares of Rs.10/- each and 75,00,000 unclassified share of Rs.10/- each. The Company has grown and surpassed a business turnover of Rs.900 crores and reserves of Rs.100/- crores in past few years but the authorised capital has remained at the present level of Rs.25/- crores only. The company wishes to expand its capital base so that in future the company can capitalise the reserves and in turn benefit the long term shareholders.

The resolution is therefore to increase the Authorised Capital of the company from Rs. 25,00,00,000/- (Rupees Twenty Five Crore) divided into 1,75,00,000 (One Crore Seventy Five Lacs) equity shares of Rs.10/- each and 75,00,000 unclassified share of Rs.10/- each to Rs.70,00,00,000/- (Rupees Seventy Crore) divided into 6,00,00,000 (Six Crore) equity shares of Rs.10/- each and 1,00,00,000 (One Crore) unclassified share of Rs.10/- each.

In view of the fact that Authorised Capital of the company is being increased the existing clause V. of the Memorandum of Association and clause 4 of the Articles of Association needs to be amended.

The members are requested to pass the necessary resolution set out in the notice as Special resolution to carry out necessary amendments in Memorandum of Association & Articles of Association of the Company.

ITEM NO.8:

Mr. Kiran Y. Parashare was co opted by the board in its meeting held on January 07, 2014 as an Additional Director of the Company pursuant to section 161 of the Companies Act, 2013. He ceases to hold office on the date of Annual General Meeting. A notice has been received along with requisite deposit from a member of company intending to propose Mr. Kiran Y. Parashares for appointment as Director of the Company, liable to retire by rotation at the Annual General Meeting.

MEMORANDUM OF INTEREST

Mr. Jimmy Almeida & Mrs. Jyoti Jimmy Almeida being related to Mr. Kiran Y. Parashare are deemed to be concerned and interested in the resolution at Item No 8.

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

ITEM NO.9

Mr. Dilip J. Diwan was co opted by the Board in its meeting held on March 29, 2014 as an Additional Director of the Company pursuant to section 161 of the Companies Act, 2013. He ceases to hold office on the date of Annual General Meeting. A notice has been received along with requisite deposit from a member of company intending to propose Mr. Dilip J. Diwan for appointment as Director of the Company, liable to retire by rotation at the Annual General Meeting.

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

Mumbai
April 03, 2014

Registered Office :
Ganesh Niwas, S.Veer Savarkar Marg,
Prabhadevi, Mumbai - 400 025.
CIN : L15500MH1981PLC025809

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



Jimmy Almeida
Chairman and Managing Director

G. M. BREWERIES LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting their 31st Annual Report together with the Audited Accounts of the Company for the Year ended March 31, 2014.

Financial Results:

(Rs. in Lacs)

Particulars	March 31, 2014	March 31, 2013
Gross Sales	97,628.30	93,880.06
Less: State Excise & Vat	68,764.26	65,104.17
Net Sales	28,864.04	28,775.89
Other Income	56.01	141.33
Total	28920.05	28,917.22
Profit before depreciation & taxation	3721.86	2,504.03
Less: Depreciation	457.95	408.25
Less: Provision for taxation	1,110.00	703.38
Less: Prior period adjustment (Taxation)	4.23	114.99
Profit after taxation	2,149.68	1,277.41
Add: Balance brought forward from previous year	3,245.23	2,539.72
Surplus available for appropriation	5,394.91	3,817.13
Appropriations		
General reserves	300.00	300.00
Proposed Dividend	233.95	233.95
Tax on Dividend	37.95	37.95
Balance carried to Balance sheet	4,823.01	3,245.23
Total	5,394.91	3,817.13

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.

ISSUE OF BONUS SHARES:

Your Directors have pleasure in recommending for approval of the members at the Annual General Meeting issue of bonus shares in the ratio of 1 : 4 i.e. one new fully paid equity share of Rs.10/- for every four equity shares of Rs.10/- held in the company. The bonus issue if approved at the forth coming Annual General Meeting, will result in capitalization of share premium account to the extent of Rs.2,33,95,250/-.

OPERATIONAL REVIEW:

Gross revenues increased to Rs. 97,628.30/- Lacs, a growth of around 3.99% against Rs. 93,880.06/- Lacs in the previous year. Profit before depreciation and taxation was Rs. 3,721.86/- lacs against Rs. 2,504.03/- Lacs in the previous year. After providing for depreciation and taxation of Rs. 457.95/- Lacs & Rs 1,114.23/- Lacs (Including current & earlier years taxation) respectively, the net profit of the Company for the year under review was placed at Rs. 2,149.68/- Lacs as against Rs. 1,277.41/- lacs in the previous year.

Due to tough market conditions and on account of very high levels of taxation the company's turnover in terms of value has increased at a marginal 4% during the year under review. However, the profit after tax posted an impressive 68% due to better realization for the company's products, moderate price levels of raw material and packing materials throughout the year and the cost cutting measures undertaken by the company.

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, 2014 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

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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:

Mr. Ashwin P. Mehta, a director of the company resigned from the Board during the course of the year due to professional preoccupation. The Board wishes to place on record its sincerest thanks & gratitude to Mr. Ashwin Mehta for his invaluable contribution for the growth of the company during his tenure as a director.

Directors Mr. M. G. Diwan & Mr. P. N. Trivedi retire by rotation and, being eligible, offer themselves for re appointment. The Directors recommend Mr. M. G. Diwan & Mr. P. N. Trivedi for re-appointment.

Mr. Kiran Y. Parashare was co opted by the board in its meeting held on January 07, 2014 as an Additional Director of the company pursuant to section 161 of the Companies Act, 2013. He ceases to hold office on the conclusion of Annual General Meeting.

Mr. Dilip J. Diwan was co opted by the board in its meeting held on March 29, 2014 as an Additional Director of the company pursuant to section 161 of the Companies Act, 2013. He ceases to hold office on the conclusion of Annual General Meeting.

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 Almeida
Chairman & Managing Director

Mumbai
April 03, 2014