



G. M. BREWERIES LIMITED

34th Annual Report 2016-2017

G. M. BREWERIES LIMITED

BOARD OF DIRECTORS

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

Chief Financial Officer

Shri. S. Swaminathan

Company Secretary & Manager - Accounts

Shri. Sandeep Kutchhi

Auditors

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

Bankers

Central Bank of India
Prabhadevi, Mumbai - 400 025

IDBI Bank
Prabhadevi, Mumbai - 400 025

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

Regd. Office

Ganesh Niwas, S. Veer Savarkar Marg,
Prabhadevi, Mumbai - 400 025
Phone : 24331150 / 51 / 24371805 / 41,
24229922 / 24385540 / 41
E-mail : info@gmbreweries.com
Website : www.gmbreweries.com
CIN : L15500MH1981PLC025809

Factory

S. Veer Savarkar Marg, Virar (East),
Dist. Palghar - 401 305 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.
Email : sharexindia@vsnl.com

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NOTICE

Notice is hereby given that the 34th Annual General Meeting of the Members of G.M. Breweries Limited (CIN: L15500MH1981PLC025809) will be held at Joshi's Kohinoor Hall, 3rd Floor, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025 on Thursday the May 18, 2017 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, 2017 and statement of Profit and Loss Account for the year ended on that date, the Report of Directors and Auditor's thereon.
2. To declare dividend on the equity shares.
3. To appoint a Director in place of Smt. Jyoti Almeida (DIN: 00112031), who retires by rotation and being eligible, offers herself for re- appointment.
4. To appoint a Director in place of Shri. Kiran Parashare (DIN:06587810), who retires by rotation and being eligible, offers himself for re- appointment.
5. To consider and if thought fit, to pass , the following resolution as ordinary resolution:

RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and The Companies (Audit and Auditors) Rules, 2014, (the rules) , (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) M/s. Priti.V. Mehta & Company Chartered Accountants, Mumbai, (Registration number 129568W with the Institute of Chartered Accountants of India), who have offered themselves for appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of section 141 of the Act, and rule 4 of the rules, be and are hereby appointed as Statutory Auditors of the company (in place of M/s. V.P.Mehta & Co., Chartered Accountants, the retiring auditors) for a term of five years commencing from the conclusion of this meeting until the conclusion of the 39th Annual General Meeting of the Company to be held in 2022 (subject to ratification of their appointment by the members at every intervening annual general meeting held after this annual general meeting) on such remuneration as may be agreed upon by the Audit committee/ Board of Directors in consultation with the Auditors.

RESOLVED FURTHER THAT the Board of Directors of the company (including its committee thereof) be and is hereby authorised to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.

Mumbai
April 06, 2017

By Order of the Board of Directors
For G.M. Breweries Limited
CIN: L15500MH1981PLC025809

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

Jimmy Almeida
Chairman and Managing Director

G. M. BREWERIES LIMITED

NOTES : -

- a) 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.
- b) A person can act as a proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other Member.
- c) Corporate members intending to send their authorized representatives to attend the Annual General Meeting, pursuant to section 113 of the Companies Act, 2013, are requested to send to the company, a certified copy of the relevant Board resolution together with the respective specimen signatures of those representatives authorized under the said resolution to attend and vote on their behalf at the meeting.
- d) Members, Proxies and Authorised representatives are requested to bring to the meeting, the attendance slips enclosed herewith duly completed and signed mentioning therein details of DP ID and Client ID/Folio No.
- e) In case of joint holders attending the meeting, the joint holder who is higher in the order of names will be entitled to vote at the meeting.
- f) The Register of Members and Share Transfer Books of the Company will be closed from Friday, May 12, 2017 to Thursday, May 18, 2017, both days inclusive, for payment of dividend, if any, declared/ approved, at Annual General Meeting.
- g) If dividend proposed is declared at the Annual General Meeting, the payment of such dividend will be made to those members of the company whose names stand on the Register of Members of the Company on May 18, 2017. The dividend in respect of shares held in dematerialized form in Depository System will be paid to the beneficial owners of shares as on May 11, 2017 as per the list provided by the Depositories for this purpose. The dividend will be payable within 30 days of the approval of the same in the Annual General Meeting.
- h) Shareholders desiring any information as regards the Accounts are required to write to the Company at least seven working days in advance of the meeting so that the information, to the extent practicable, can be made available at the meeting.
- i) 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.
- j) Smt. Jyoti Jimmy Almeida & Shri. Kiran Yashawant Parashare - directors retire by rotation and, being eligible, offer themselves for re-appointment at the Annual General Meeting. A brief resume of the said directors is given below.

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Name	Smt. Jyoti Jimmy Almeida	Shri. Kiran Yashawant Parashare
Directors Identification Number (DIN)	00112031	06587810
Age	48 Years	43 Years
Qualification	B.Com	B.Tech (mechanical)
Expertise in Specific Area	Finance, Taxation, Audit & Allied matters	C.C.I.E Networking
Date of first Appointment on the Board of the Company	July 30, 1998	January 07, 2014
Shareholding in G. M. Breweries Limited	2,90,978 Shares	Nil
List of Directorship held in other companies	Almeida Holdings Private Limited	Nil
Membership/Chairmanships of Audit and stake holders relationship committees	Refer to Report on CORPORATE GOVERNANCE	Refer to Report on CORPORATE GOVERNANCE

- k) A Route map showing directions to reach the venue of the 34th Annual General Meeting is given on the Page No. 60 of this annual report as per the requirement of the Secretarial Standards-2 on "General Meeting".

PROCESS FOR MEMBERS OPTING FOR E-VOTING

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and sub clause (1) & (2) of Clause 44 of SEBI regulations, the Company will be providing members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL). The detailed procedure to be followed in this regard has been given in Annexure - A to the notice. The members are requested to go through them carefully.

Mumbai,
April 06, 2017

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

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

Jimmy Almeida
Chairman & Managing Director

G. M. BREWERIES LIMITED

Annexure A to the notice

Instructions for the voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI(Listing Obligations & Disclosure Requirements) Regulations, 2015 , the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM) ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 15th May, 2017 (9:00 am) and ends on 17th May, 2017 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 12th May, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "G.M.Breweries Limited ".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to admin@kalaagarwal.com with a copy marked to evoting@nsdl.co.in

- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nSDL.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/ PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 12th May, 2017.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 12th May, 2017, may obtain the login ID and password by sending a request at evoting@nSDL.co.in or RTA.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nSDL.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting /voting at the AGM through ballot paper.
- XII. Ms. Kala Agarwal, Company Secretary (FCS No.5976) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.
- XIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" / "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XV. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.gmbreweries.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited/ NSE Limited, Mumbai.

G. M. BREWERIES LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting their 34th Annual Report together with the Audited Accounts of the Company for the Year ended March 31, 2017.

Financial Results:

(Rs. Lacs)

Particulars	March 31, 2017	March 31, 2016
Gross Sales	1,35,665.07	1,25,803.83
Less: State Excise & Vat	98,143.91	89,846.38
Net Sales	37,521.16	35,957.45
Other Income	395.87	614.69
Total	37,917.03	36,572.14
Profit before depreciation , Exceptional item & taxation	7,266.18	8,984.06
Less: Depreciation	532.63	541.32
Add: Exceptional item	Nil	336.46
Less: Provision for taxation	2,342.44	2,948.15
Profit after taxation	4,391.11	5,831.05
Add: Balance brought forward from previous year	10,870.65	5,691.58
Surplus available for appropriation	15,261.76	11,522.63
Appropriations		
General Reserves	300.00	300.00
Proposed Dividend	438.66	292.44
Tax on Dividend	89.32	59.54
Capitalised during the year	174.44	Nil
Balance carried to Balance sheet	14,259.34	10,870.65
Total	15,261.76	11,522.63

The company proposes to transfer an amount of Rs.300 lakhs to the General Reserves and an amount of Rs.14,259.34 Lakhs is proposed to be retained in the statement of Profit & Loss.

OPERATIONAL REVIEW:

Gross revenues increased to Rs. 1,35,665.07 Lacs, a growth of around 7.84 % against Rs. 1,25,803.83 Lacs in the previous year. Profit before depreciation, exceptional item and taxation was Rs. 7,266.18 lacs against Rs. 8,984.06 Lacs in the previous year. After providing for depreciation and taxation of Rs. 532.63 Lacs & Rs. 2,342.44 Lacs respectively, the net profit of the Company for the year under review was placed at Rs.4,391.11 Lacs as against Rs. 5831.05 lacs in the previous year.

In spite of adverse market conditions that prevailed almost during the entire year, the company has managed to achieve an increase of 7.84% in gross sales in terms of value and a marginal increase of 2.6% in terms of volume. However, the profit after tax during the year under review had dropped by 24.69% which was primarily due to very high levels of raw material and packing material prices throughout the year.

DIVIDEND:

In spite of drop in profits compared to previous year, your directors have pleasure in recommending for approval of the members at the Annual General Meeting a dividend of 30 % (at the rate of 25% in the previous year). The Dividend of 30 %, if approved at the forthcoming Annual General Meeting, will result in the out flow of Rs. 438.66 lacs to the company in addition to Rs.89.32 lacs by way of dividend distribution tax.

SHARE CAPITAL:

The paid up equity capital of the company as on March 31, 2017 was Rs.1462.20 Lakhs compared to Rs. 1169.76 Lakhs as on March 31, 2016. The increase in paid up equity capital was due to issue of bonus shares in the ratio of 1:4.

FINANCE:

Cash and cash equivalents as at March 31, 2017 was Rs.3,069.01 lakhs. The company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

FIXED DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

The details of the investments made by company are given in the notes to the financial statements.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman & Managing Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

As part of its initiatives under "corporate social responsibility" (CSR), the company has contributed funds for the schemes of eradicating hunger and poverty, promotion of education and medical aid. The contributions in this regard have been made to the registered trust which is undertaking these schemes. The company has also undertaken schemes of distributing food to the poor directly and other activities as part of the CSR initiative.

The Annual Report on CSR activities is annexed herewith as: Annexure A

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 same has not been submitted.

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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.

INDUSTRIAL RELATIONS:

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

DIRECTORS:

Directors Smt. Jyoti Jimmy Almeida & Shri. Kiran Yashawant Parashare retire by rotation and, being eligible, offer themselves for re appointment. The Directors recommend Smt. Jyoti jimmy Almeida & Shri. Kiran Yashawant Parashare for re-appointment.

All independent directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and under regulation 25 of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015

BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and under regulation 25 of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

REMUNERATION POLICY:

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

MEETINGS:

A calendar of meetings is prepared and circulated in advance to the Directors.

During the year five Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of Section 134 (5) of the Companies Act, 2013, 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.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.