



G. M. Breweries Limited

Regd. Office : Ganesh Niwas, S. Veer Savarkar Marg, Prabhadevi, Mumbai-400 025.
Phone : 2437 1805 / 2437 1841/ 2433 1150 / 2433 1151/ 2436 7005 ● Tel./Fax : 91-22-2422 9922
Email : gmb@gmbreweries.com ● Website : www.gmbreweries.com

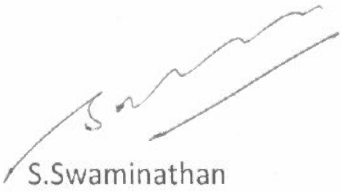
Form A

(Clause 31 (a) of the equity listing agreement)

1	Name of the company	G.M.Breweries Limited
2	Annual financial statements for the year ended	March 31, 2014
3	Type of audit observation	Un-Qualified
4	Frequency of observation	Not Applicable


For G.M.Breweries Limited


Jimmy William Almeida
Chairman & Managing Director


S. Swaminathan
CFO


Dilip J. Diwan
Chairman- Audit committee

For V.P.Mehta & Co.
Chartered Accountants
Firm registration No.106326W


Vipul P. Mehta
Proprietor
Membership no.035722



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.

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- 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

INDEPENDENT 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, 2014, 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.

Management's responsibility for the Financial Statements

The Company's 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") (Which continue to be applicable in respect of section 133 of Companies Act, 2013 in terms of general circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs) and in accordance with accounting principal generally accepted in India. 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.

Auditor's 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, 2014;
- (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;

G. M. BREWERIES LIMITED

- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956(which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs); and
- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Vipul P. Mehta
Proprietor
Membership No.: 035722

Mumbai
April 03, 2014

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 any loans to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. The company had taken loan from director which was paid back during the year.
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

G. M. BREWERIES LIMITED

outstanding as at March 31, 2014, for a period of more than six months from the date they became payable.

(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, 2014. 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. : 035722

Mumbai
April 03, 2014

CORPORATE GOVERNANCE:

1. PHILOSOPHY:

The Company's philosophy on Corporate Governance has been developed with a tradition of fair and transparent governance even before they were mandated by the legislation. Transparency, integrity, professionalism and accountability - based values form the basis of the Company's philosophy for Corporate Governance. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations. Your company has fulfilled all the existing guidelines under clause 49 of the listing agreement.

2. BOARD OF DIRECTORS:

a) Composition, Category of Directors and their other directorship as on March 31, 2014.

Name of The Director	Category of Directorship	No. of Directorship in other Public & Pvt. Ltd. Companies
Shri. Jimmy Almeida	Executive (Chairman & Managing Director)	1
Smt. Jyoti Jimmy Almeida	Executive (Whole Time Director)	1
Shri. Mukund G. Diwan	Non-Executive (Independent Director)	6
Shri. Paresh N. Trivedi	Non- Executive (Independent Director)	1
Shri. Kiran Y. Parashare ***	Non- Executive (Non Independent Director)	Nil
Shri. Dilip J. Diwan ****	Non- Executive (Independent Director)	Nil

*** Shri. Kiran Y. Parashare was appointed on January 07, 2014.

**** Shri. Dilip J. Diwan was appointed on March 29, 2014.

b) Number of Board Meetings

During the year ended March 31, 2014, Five Board Meetings were held on April 04, July 04, October 03, 2013, January 07, 2014 and March 29, 2014.

c) Directors' attendance record:

Name of The Director	Board Meetings Attended during the year	Whether attended Last AGM
Shri. Jimmy Almeida	5	YES
Smt. Jyoti Jimmy Almeida	5	YES
Shri. Mukund G. Diwan	5	NO
Shri. Ashwin P. Mehta **	4	YES
Shri. Paresh N Trivedi	3	YES
Shri. Kiran Y. Parashare ***	1	NO
Shri. Dilip J. Diwan****	NIL	NO

** Shri. Ashwin P. Mehta has since resigned from March 27, 2014.

*** Shri. Kiran Y. Parashare was appointed on January 07, 2014 and hence has not attended last year's Annual General Meeting.

**** Shri. Dilip J. Diwan was appointed on March 29, 2014 and hence has not attended any Board Meeting in the F.Y.2013-2014. He has also not attended last year's Annual General Meeting.

3. COMMITTEES OF THE BOARD

a) Audit Committee

i) Terms of Reference:

Apart from all the matters provided in clause 49 of the listing agreement and section 177 of the Companies Act 2013, the Audit committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the company.

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ii) Composition:

The Audit committee consists of three independent directors, Shri. Dilip J. Diwan, Shri. Mukund G. Diwan, and Shri. Paresh N. Trivedi. Shri Dilip J. Diwan has been designated as chairman of the committee from March 29, 2014. The committee met 4 times during the financial year ended March 31, 2014. The attendance record of the members at the meeting were as follows

Name of The Member	Designation	No Meetings of Attended
Dilip J. Diwan	Chairman	NIL
Mukund G. Diwan	Member	4
Paresh N Trivedi	Member	2
Ashwin P. Mehta **	Chairman	4

** Shri. Ashwin P. Mehta has since resigned from March 27, 2014.

b) Appointment & Remuneration Committee and policy:

The appointment & remuneration committee for appointment & remuneration of executive directors was constituted with effect from March 29, 2014 with Mr. Dilip J. Diwan as chairman. The committee comprises of three independent Directors. Earlier the committee was functioning under the name "Remuneration Committee" which fixed the remuneration of executive Directors.

Name of The Member	Designation
Dilip J. Diwan	Chairman
Mukund G. Diwan	Member
Paresh N. Trivedi	Member
Ashwin P. Mehta**	Chairman

** Shri. Ashwin P. Mehta has since resigned from March 27, 2014.

The details of remuneration for the year ended March 31, 2014 to the Executive Directors are as follows

Name	Designation	Remuneration
Jimmy Almeida	Chairman & Managing Director	84.00 Lakhs
Jyoti Jimmy Almeida	Whole Time Executive Director	15.00 Lakhs

The Company has paid sitting fees of Rs 20,000/- per meeting to Non-Executive Directors during the financial year 2013-14

c) Shareholders/ Investors' Grievance Committee:

During the year 2013-14 the Shareholders/Investors Grievance committee that also acts as Share Transfer Committee met 7 times.

The attendance at the Shareholders/Investors Grievance Committee is given below

Name of The Member	No. of Meeting Held	No. of Meeting Attended
Dilip J. Diwan, Chairman *	7	0
Jyoti Jimmy Almeida, Member	7	7
Paresh N. Trivedi, Member	7	6
Ashwin P. Mehta ,Chairman **	7	7

* Mr. Dilip J. Diwan was appointed as chairman of the committee from March 29, 2014 hence has not attended any shareholders / investors grievance committee.

** Shri. Ashwin P. Mehta has since resigned from March 27, 2014.

During the year 2013-14, 3 complaints were received from shareholders and investors. All the complaints have generally been resolved to the satisfaction of the complainants except for disputed cases and sub-judice matters, if any, which would be solved on final disposal by the courts/ forums where they are pending.

d) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

As required under section 135 of the Companies Act, 2013 the company has formed a CSR committee consisting of the following members from March 29, 2014.

Name of The Member	Designation
Paresh N. Trivedi	Chairman
Jyoti J. Almeida	Member
Kiran Y. Parashare	Member

The committee will be formulating Company's CSR policy within the framework of Schedule VII of the

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Companies Act, 2013 and after the approval of the Board the policy will be implemented by the Company.

e) PERFORMANCE EVALUATION COMMITTEE

The company has formed a performance evaluation committee consisting of the following members from March 29, 2014.

Name of The Member	Designation
Paresh N. Trivedi	Chairman
Dilip J. Diwan	Member
Jyoti J. Almeida	Member

The committee will form policies for formal evaluation of performance of Board and that of committees of Board and individual Directors.

Management discussion and analysis report forms part of this Annual Report

4. SHAREHOLDERS:

a (i) Means of Communication :

The Quarterly Un-Audited (Provisional) Results and the Annual Audited Financial results of the company are sent to the stock exchanges immediately after they are approved by the Board and are also published in one vernacular news paper viz. "Nava Shakti" and one English news paper viz. "Free Press Journal". Also they are uploaded on the company's website www.gmbreweries.com. The results are published in accordance with the guidelines of the Stock Exchanges.

(ii) In line with the existing provisions of the Listing Agreement, the Company has created a separate e mail address viz.

investors_complaints@gmbreweries.com to receive complaints and grievances of the investors.

b. Share Transfers Agents:

M/s. Sharex Dynamics (India) Pvt. Ltd. , Unit -1 , Luthra Indl. Premises Safed Pool Andheri Kurla Road., Andheri(E), Mumbai - 400 072.

c. Share Transfer System:

All physical share transfers are effected within 15 days of lodgment, subject to the documents being in

order. The Board has delegated the authority for approval of transfer, transmission etc. to a committee comprising of two Non Executive Directors and one Executive Director. A summary of transfer/transmission of shares so approved by the committee is placed before the Board.

d. General Body Meetings :

Details of last three Annual General Meetings are as under.

Financial Year	Date	Time	Venue
2012-13	07-05-2013	04.30 P.M.	Joshi's Kohinoor Hall, 3 rd Flr, S.Veerc Savarkar Marg, Prabhadevi, Mumbai – 400 025.
2011-12	10-05-2012	11.30 A.M.	Joshi's Kohinoor Hall, 3 rd Flr, S.Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025.
2010-11	10-05-2011	11.30 A.M.	Joshi's Kohinoor Hall, 3 rd Flr, S.Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025.

e) Postal Ballot:

For the year ended March 31, 2014 there have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot.

5. Additional shareholders information :

a) Annual General Meeting

Date : May 06, 2014

Venue: Joshi's Kohinoor Hall, 3rd Flr, S.Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025.

Time : 4.30 P.M.

b) Financial Calendar

Financial Year: April 01 to March 31 for the financial year 2014-15, the tentative dates for declaration of Quarterly unaudited results will be by July 31, 2014, October 31, 2014, January 31 2015 and April 30, 2015.

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c) Book Closure:

The book closure date for the purpose of payment of dividend and issue of bonus shares will be fixed by the Board after the approval of dividend payment and issue of bonus shares are approved by the members in the forthcoming AGM.

d) Dividend Payment Date:

Dividend will be paid within 30 days of the approval of the same in the Annual General Meeting.

e) Listing in stock exchanges and stock codes

The names of stock exchanges at which the equity shares are listed and respective stock codes are as under :

Name of the stock Exchanges	Stock Code No.
The Bombay stock Exchange	507488
The National Stock Exchange	GMBREW

The ISN number allotted to the company for demat of shares are as under.

NSDL : INE075D01018
CDSL : INE075D01018

f) Stock data:

High/Low of Market price of Company's equity shares traded on the **Bombay Stock Exchange Ltd.** during the financial year ended on March 31, 2014 was as follows:

Month	High	Low
April 2013	74.95	65.20
May 2013	72.70	64.00
June 2013	66.50	55.00
July 2013	74.00	59.25
August 2013	77.10	55.60
September 2013	87.15	58.00
October 2013	97.00	74.00
November 2013	99.80	81.15
December 2013	111.10	85.15
January 2014	115.05	87.65
February 2014	106.55	86.15
March 2014	158.45	96.15

g) Stock data:

High/Low of Market price of Company's equity shares traded on **National Stock Exchange**. During the financial year ended on March 31, 2014 was as follows:

Month	High	Low
April 2013	76.00	64.80
May 2013	75.00	64.25
June 2013	69.50	56.05
July 2013	76.00	59.30
August 2013	76.20	55.05
September 2013	85.00	58.00
October 2013	97.40	74.15
November 2013	99.90	81.40
December 2013	111.40	84.50
January 2014	114.85	86.95
February 2014	106.80	84.20
March 2014	158.75	95.60

h) Distribution of shareholding as on March 31, 2014.

Size of Holdings	No. of Share Holders	Percentage %	No. of Shares	Percentage %
Up to 100	4029	58.31	268343	2.87
101 to 200	1063	15.38	197395	2.11
201 to 500	1051	15.21	406375	4.34
501 to 1000	472	6.83	400312	4.28
1001 to 5000	244	3.53	515557	5.51
5001 to 10000	31	0.45	237758	2.54
10001 to 100000	16	0.23	367044	3.92
100001 to above	4	0.06	6965316	74.43
Total	6910	100.00	9358100	100.00

Share Holding Pattern:

Sr. No.	Category	No. of Shares	% of Share holding l.
1.	Promoters (Out of the Promoters' Share holding 1,22,400 Shares have been offered as collateral security to CitizenCredit Co-Op Bank Ltd, Dadar - Mumbai from 20-08-2003 for the term loan advanced to The Company.)	69,65,316	74.43
2.	Residential Individual	19,06,128	20.37
3.	Private Corporate Bodies	1,10,845	1.18
4.	Financial Institutions/Banks and Mutual Funds	-	-
5.	FII	-	-
6.	NRI's and OCB	1,64,820	1.76
7.	Clearing Member	2,10,991	2.26
	Total	93,58,100	100.00

- i) **Shares held in physical and dematerialized form:**
As on March 31, 2014 94.89 % of shares were held in dematerialized form and the rest in physical form.
- j) **Outstanding GDR's/ADR's/Warrant's/Convertible instruments and their impact on equity.**
NIL
- k) **Plant Location**
Village Narangi, S.Veer Savarkar Marg, Virar (East) Dist Thane- 401 305 Maharashtra State.
- l) **Address for correspondence**
Ganesh Niwas, Veer Savarkar Marg, Prabhadevi, Mumbai- 400 025 Telephone : 022- 24331150/51
E-Mail : investors_complaints@gmbreweries.com
Website : www.gmbreweries.com
- m) **Shares held in electronic form**
Shareholders holding shares in the electronic form may give instruction regarding bank details, which they wish to incorporate on their dividend warrants to their depository participants. As per the regulations of NSDL and CDSL the company is required to print the bank details on the dividend warrants, as furnished by these depositories to the Company.

6. Disclosures:

The company has not entered into any transaction of a material nature with the Promoters, the Directors or the Management, their relatives etc. that may have any potential conflict with the interests of the company.

The company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years. There were no penalties imposed nor any strictures issued on the Company by the Stock Exchanges, SEBI or any other statutory authority relating to the above.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors have pleasure in presenting the management discussion and analysis report for the year ended on March 31, 2014.

(A) INDUSTRY STRUCTURE AND DEVELOPMENT

G.M.Breweries Limited (GMBL) is engaged in the manufacture of alcoholic liquor. Though the company has got the facility to blend and bottle both Indian made foreign liquor and country liquor, the concentration has been mainly on country liquor during this year also due to competitive market conditions in the IMFL segment. The Company has been making impressive progress in the business of country liquor during the past five years.

Even though not much official statistics are available about the production of country liquor by vari-

ous manufacturers, the data gathered from The State Excise Department shows that the company contributes about 20 to 25 % of the total Excise duty for country liquor in the whole of Maharashtra.

(B) OPPORTUNITIES, THREATS AND CONCERNS.

The Company's products have been enjoying consistently good brand image and loyalty from the consumers for the past several years and the company enjoys virtual monopoly in country liquor in the districts of Mumbai and Thane. It is the single largest manufacturer of country liquor in the State of Maharashtra. The company has capacity to process 13.76 crore bulk litres of country liquor per annum out of which only about 43.39 % has been utilized last year. The company has got tremendous potential to utilize the balance capacity by penetrating into interior districts of Maharashtra taking advantage of its brand image.

Even though stringent steps have been taken by the various Government agencies, the parallel duty evaded market which eats into Company's market share as well as Government's revenue continues to be the main threat to the Company. The company continues to make representations at various levels of the Government to take effective steps to curb the illicit market in the interest of the industry, revenue of the state as well as the public health.

The Company has been facing difficulty also due to very high levels of taxation and frequent changes in laws. In fact the exorbitant rate of taxation is one of the factors, which breeds duty evasion. The high level of fluctuations in the prices of its main raw material namely Rectified Spirit and as well as acute shortage in the availability of Spirit are the constraints faced by the Company during the past several years. In the recent past company also faces the problem of exercise of concurrent and parallel jurisdiction by more than one government agency like the **State Excise Department, Legal Metrology Department and Food and Drugs Administration Department (FDA)** which are conflicting in nature.

To overcome the problem of shortage, wide price fluctuation and heavy breakages in glass bottles, the Company has started marketing all sizes of country liquor in PET bottles which is slowly gaining acceptance from the consumers. However, during the last year the company faced the problem of fluctuation in the prices of PET bottles also due to increase in petroleum prices in the international market. During the year under review about 42.50% of the company's total production & sale consisted of PET bottles. Company's all bottling lines have been designed to handle both glass and PET bottles. During the course of the year the company installed "Un-

G. M. BREWERIES LIMITED

scramblers” in all the PET bottling lines which will facilitate direct feeding of the bottles on the line which in turn will increase the output considerably.

During the course of the year the company has completed the ambitious project of replacing all the MS tanks into SS tanks and also installed additional blending and water storage tanks. With this, the company will have the unique distinction of having all the blending, spirit storage & water storage tanks and the connecting pipelines in Stainless Steel.

During the past three years, the Company has started using 180 ml Glass bottles embossed with its Registered Logo and also taken adequate legal steps to ensure that, these bottles are not used by other liquor manufacturers. These measures have resulted in larger inflow of recycled bottles which has in turn helped the Company to cut overall cost of packing materials.

(C) OUT LOOK

Barring the aforesaid deterrents, the company does not foresee any major threats to its growth and market share in the coming years. The existing capacity should take care of the company’s requirement at least for the next Five years and the Company does not foresee any technological obsolescence for its products.

(D) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has engaged the services of an independent Chartered Accountant to carry out the internal audit and ensure that recording and reporting are adequate and proper, the internal controls exist in the system and that sufficient measures are taken to update the internal control system. The system also ensures that all transactions are appropriately authorised, recorded and reported. Exercises for safeguarding assets and protection against unauthorised use are undertaken from time to time. The Company has also installed an extensive CCTV surveillance system to cover the entire factory premises. All these measures are continuously reviewed by the management and as and when necessary improvements are effected.

(E) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance during the year under reference has been impressive in terms of profits. Even though there has been a slight increase in the turnover, the volume of profits has increased substantially. The increase in profitability is due to better realization and moderate prices of rectified spirit and packing materials in addition to cost cutting measures taken by the company.

(F) CORPORATE SOCIAL RESPONSIBILITY.

The management of your company is of the opinion that the company’s contribution to the society should be of its own volition and not out of compulsion. Hence, even before it was mandated by law, the company has initiated measures, for the past several years, to help the poor and downtrodden section of the society by contributing to the “Feeding the poor and other philanthropic activities” of Sant Shree Gulabbaba Charitable Trust.

(G) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.

As on March 31, 2014 the company had 179 permanent employees at its manufacturing plants and administrative office.

The company recognizes the importance of human value and ensures that proper encouragement both moral and financial is extended to employees to motivate them.

The company has provided accommodation to all its staff & workers adjacent to the factory premises of the company. The company enjoyed excellent relationship with workers and staff during the last year.

Cautionary Statement

The statements in the “Management Discussion and Analysis Report” section describes the Company’s objectives, projections, estimates, expectations and predictions, which may be “forward looking statements” within the meaning of the applicable laws and regulations. The annual results can differ materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other incidental factors.

GREEN INITIATIVE APPEAL

As the members may be aware of, the Ministry of Corporate Affairs has evolved **Green Initiative in Corporate Governance** by allowing paperless compliance by Companies through electronic mode. Companies are now permitted to send various notices and documents including Annual Report to its share holders through electronic mode to their registered email addresses. To make this **Green Initiative** of the Government, a total success and in the **National Interest**, members are kindly requested to register their email addresses at gmbreweries.gogreen@shareindia.in in respect of shares held in dematerialized form with the Depositories through their respective Depositories participants. The registration of Email Id by the members will be treated as consent to receive all notices and documents (including Annual Report) in future only through electronic mode. The members will also have the option to download the documents from the Company’s website i.e. www.gmbreweries.com

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirements of Clause 49 of the Listing Agreement, this is to confirm that all the members of the Board and the Senior Management personnel have affirmed Compliance with the Code of Conduct for the year ended March 31, 2014.

For G.M.Breweries Limited

Jimmy Almeida
Chairman & Managing Director

Mumbai, April 03, 2014

CERTIFICATE OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER ON CORPORATE GOVERNANCE

The Board of Directors
M/s. G.M.Breweries Limited

We have reviewed the financial statements and the cash flow statement of G.M.Breweries Limited for the financial year 2013-14 and certify that:

- a) These statements to the best of our knowledge and belief:
 - I. Do not contain any materially untrue statements or omit any material facts or contain statements that might be misleading;
 - II. Present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, there are no transactions entered into by the Directors and Senior Management Personnel during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company for such reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls, of which we are aware of and the steps taken and/or proposed to be taken to rectify these deficiencies.
- d) We have also indicated to the Auditors and the Audit Committee.
 - (i) Significant changes in Internal Controls with respect to financial reporting during the year.
 - (ii) Significant changes in accounting policies during the Year and these have been disclosed in the notes to the financial statements.
- e) To the best of our knowledge and belief, there are no instances of significant fraud involving either the management or employees having a significant role in the Company's internal control systems with respect to financial reporting.

Jimmy Almeida
Chairman & Managing Director
Mumbai, April 03, 2014

S.Swaminathan
Chief Financial Officer

AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

The Members of G.M.Breweries Limited.

We have examined the compliance of conditions of Corporate Governance by G.M.Breweries Limited for the year ended March 31, 2014 stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of condition of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company to ensure Compliance with the condition of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has fully complied with all the mandatory conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

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

Vipul. P. Mehta
Proprietor - Membership No: 035722

Mumbai, April 03, 2014

G. M. BREWERIES LIMITED

BALANCE SHEET AS AT MARCH 31, 2014

PARTICULARS	Note No.	Figures as at the end of current reporting period 31.03.2014	(Rs. in Lacs) Figures as at the end of previous reporting period 31.03.2013
I. EQUITY AND LIABILITIES			
1 Shareholders Funds			
a) Share Capital	A	936.66	936.66
b) Reserves & Surplus	B	10,513.96	8,636.18
		11,450.62	9,572.84
2 Non-Current Liabilities			
a) Long-term Borrowings	C	2,317.50	542.43
b) Deferred tax liabilities		454.48	319.56
		2,771.98	861.99
3 Current Liabilities			
a) Short -term Borrowings	D	5.55	1,723.32
b) Trade Payables		415.46	776.75
c) Other current liabilities	E	4,714.25	2,659.21
d) Short-term provisions	F	2,703.00	2,778.00
		7,838.26	7,937.28
TOTAL		22,060.86	18,372.11
II. ASSETS			
1 Non-Current assets			
a) Fixed Assets			
(i) Tangible assets	G	9,545.98	8,476.84
(ii) Intangible assets	G	7.97	8.41
(iii) Capital work-in-progress		676.28	4,279.70
b) Non-Current investments	H	4,896.89	2.27
c) Long-term loans and advances	I	3,158.16	3,436.15
		18,285.28	16,203.37
2 Current Assets			
a) Inventories	J	1,376.42	787.43
b) Trade Receivables	K	19.73	28.87
c) Cash and cash equivalents	L	535.56	401.97
d) Short-term Loans and Advances	M	139.46	100.93
e) Other current assets		1,704.41	849.54
		3,775.58	2,168.74
TOTAL		22,060.86	18,372.11
Notes forming part of the Accounts	A to T		
Standard Accounting Policy	1		
Additional Notes forming part of accounts	2 (1 to 15)		
As per our report of even date attached for V. P. Mehta & Company Chartered Accountants Firm Registration No. 106326W	Chairman & Managing Director Wholetime Director Directors		Jimmy Almeida Jyoti J. Almeida Mukund G. Diwan Paresh N. Trivedi Kiran Y. Parashare Dilip J. Diwan
Vipul P. Mehta Proprietor Membership No. 035722	Chief Financial Officer Company Secretary & Manager Accounts		S. Swaminathan Sandeep Kutchhi
Mumbai, April 03, 2014			Mumbai, April 03, 2014

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PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(Rs. in Lacs)

PARTICULARS	Note No.	Figures as at the end of current reporting period 31.03.2014	Figures as at the end of previous reporting period 31.03.2013
I. Revenue from Operations	N	28,864.04	28,775.89
II. Other Income	O	56.01	141.33
III. Total Revenue (I+II)		28,920.05	28,917.22
IV. Expenses			
Cost of Material Consumed	P	22,368.03	23,417.90
Purchase of stock-in-Trade		-	-
Changes in inventories of finished goods- work-in-progress and stock-in-trade	Q	(297.53)	154.44
Employee benefits expenses	R	663.88	593.32
Finance Costs	S	276.39	248.10
Depreciation & amortisation expenses	G	457.95	408.25
Other Expenses	T	2,187.42	1,999.43
Total Expenses		25,656.14	26,821.44
V. Profit before exceptional and extraordinary items and tax (III-IV)		3,263.91	2,095.78
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V-VI)		3,263.91	2,095.78
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII-VIII)		3,263.91	2,095.78
X. Tax Expense:			
(1) Current Tax		975.00	671.00
(2) Deferred Tax		135.00	32.38
XI. Profit/(Loss) for the period from continuing operations (IX-X)		2,153.91	1,392.40
XII. Profit/(Loss) for the period from discontinuing operations		-	-
XIII. Tax Expense of discontinuing operations		-	-
XIV. Profit/(Loss) from discontinuing operations (After Tax) (XII-XIII)		-	-
XV. Profit/(Loss) for the period (XI+XIV)		2,153.91	1,392.40
Add: Balance brought forward from Last Year		3,245.23	2,539.72
(Short)/Excess provision for Income Tax for earlier years (provided)/written back.		(4.23)	(114.99)
Profit available for Appropriation		5,394.91	3,817.13
Earning per share Basic & Diluted		23.02	14.88
Notes forming part of the Accounts	A to T		
Standard Accounting Policies	1		
Additional Notes forming part of accounts	2 (1 to 15)		

As per our report of even date attached
for V. P. Mehta & Company
Chartered Accountants
Firm Registration No. 106326W

Chairman & Managing Director

Jimmy Almeida

Wholetime Director

Jyoti J. Almeida

Directors

Mukund G. Diwan
Paresh N. Trivedi
Kiran Y. Parashare
Dilip J. Diwan

Vipul P. Mehta
Proprietor
Membership No. 035722

Chief Financial Officer

S. Swaminathan
Sandeep Kutchhi

Company Secretary & Manager Accounts

Mumbai, April 03, 2014

Mumbai, April 03, 2014

G. M. BREWERIES LIMITED

Notes A to T annexed to and forming part of the Balance Sheet & Profit and Loss Statement

	(Rs.in Lacs)	
Note A – Share Capital	Current Year	Previous Year
	31.03.2014	31.03.2013
Authorised :		
1,75,00,000 Equity Shares of Rs.10/- each	1,750.00	1,750.00
75,00,000 Unclassified Shares of Rs.10/- each	750.00	750.00
	2,500.00	2,500.00
Issued, Subscribed and Paid-up :		
93,58,100 Equity Shares of Rs.10/- each fully paid up	935.81	935.81
Add : Shares forfeited	0.85	0.85
	936.66	936.66

- a) There are No (Previous year - No) rights, preference and restriction attaching to each class of shares including restriction on the distribution of dividend and the repayment of capital.
- b) There are nil number of shares (Previous year Nil) in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiary or associates of the holding company or the ultimate holding company in aggregate.
- c) Shares in the company held by each shareholders holding more than 5% shares

Name of the Shareholder	No. of Shares Held	Percentage of Capital
Mr. Jimmy Almeida	5,774,091	61.70
Almeida Holdings Private Limited	999,548	10.68

- d) There are nil number of shares (Previous year Nil) reserved for issue under option and contracts/commitment for the sale of shares/disinvestment including the terms and amounts.
- e) For the period of five years immediately preceding the date as at which the balance sheet is prepared

Particulars	No of Shares
Aggregate number and class of shares allotted as fully paidup pursuant to contract(s) without payment being received in cash	Nil
Aggregate number and class of shares allotted as fully paidup by way of bonus shares.	Nil
Aggregate number and class of shares bought back	Nil

- f) There are no securities (Previous year No) convertible into Equity/ Preferential Shares.
- g) There are no calls unpaid (Previous year No)including calls unpaid by Directors and Officers as on balance sheet date.

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NOTE B – Reserve & Surplus

(Rs. in Lacs)

Particulars	Current Year Ended 31.03.2014	Previous Year Ended 31.03.2013
a) Securities Premium Reserve	351.95	351.95
b) Other Reserves		
General Reserve		
As per Last Balance Sheet	5,039.00	4,739.00
Add : Transfer from Profit and Loss Account	300.00	300.00
	5,339.00	5,039.00
Less:	-	-
Balance	5,339.00	5,039.00
c) Surplus :		
As per Last Balance Sheet	3,245.23	2,539.72
Add : Surplus for the current year	2,153.91	1,392.40
Excess Provision of the previous year written back	-	-
	5,399.14	3,932.12
Less: Transferred to General Reserve	300.00	300.00
Proposed Dividend	233.95	233.95
Tax on Dividend	37.95	37.95
Short Provision of the previous year Provided	4.23	114.99
	576.13	686.89
Balance	4,823.01	3,245.23
Gross Total (a+b+c)	10,513.96	8,636.18

i) There is no reserve specifically represented by earmarked investments which can be termed as fund.

NOTE C – Secured Long Term Borrowings

(Rs. in Lacs)

Particulars	Current Year Ended 31.03.2014	Previous Year Ended 31.03.2013
a) Term loans from Banks		
Term Loans from		
- Citizen Credit Co-operative Bank Ltd.	2,317.50	542.43
Secured by Charge on land bearing Plot 1 to 8 and Plot 9,10,11 located at Village Narangi, Virar, along with structures thereon, plot 1 to 11 and plot A to F located at Village Palsai, Wada along with Structures thereon,		
AND		
Flat at Prathamesh Co-operative Housing Society Ltd, Prabhadevi, Mumbai		
Further Secured by hypothecation of Raw Materials, Stock in Process, Finished Goods and Book Debts		
Guaranteed by Directors Mr. Jimmy Almeida & Mrs. Jyoti Jimmy Almeida		
	2,317.50	542.43

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NOTE D – Short Term Borrowings

(Rs. in Lacs)

Particulars	Current Year Ended 31.03.2014	Previous Year Ended 31.03.2013
a) Secured repayable on demand from banks		
Overdraft From Citizen Credit Co op Bank (Secured by Charge on land bearing Plot 1 to 8 and Plot 9,10,11 located at Village Narangi, Virar, along with structures thereon, plot 1 to 11 and plot A to F located at Village Palsai, Wada along with Structures thereon,	-	1,717.77
AND		
Flat at Prathamesh Co-operative Housing Society Ltd, Prabhadevi,Mumbai		
Further Secured by hypothecation of Raw Materials, Stock in Process,Finsihed Goods and Book Debts Guaranteed by Directors Mr. Jimmy Almeida & Mrs. Jyoti Jimmy Almeida)		
Unsecured repayable on demand from others		
Security Deposits From Customers & Others	5.55	5.55
Gross Total	5.55	1,723.32

NOTE E – Other Current Liabilities

(Rs. in Lacs)

Particulars	Current Year Ended 31.03.2014	Previous Year Ended 31.03.2013
a) Current maturities of longterm debts	535.71	21.13
b) Unpaid Dividends	38.81	36.38
c) Other payables		
Creditors for Expenses / Assets	198.88	18.44
Other Liabilities	1,147.14	389.32
Statutory Liability	2,171.85	2,130.27
Advance received from Customers & others	621.86	63.67
	4,714.25	2,659.21

NOTE F – Short Term Provisions

(Rs. in Lacs)

Particulars	Current Year Ended 31.03.2014	Previous Year Ended 31.03.2013
a) Provision for employees benefit	-	-
b) Others		
Provision for Tax	2,431.10	2,506.10
Proposed Dividend	233.95	233.95
Tax on Dividend	37.95	37.95
	2,703.00	2,778.00

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Note G : Fixed Assets

(Rs. in lacs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01/04/13	ADDI- TIONS	DEDUC- TIONS	AS AT 31/03/14	AS AT 01/04/13	FOR THE YEAR	WRITTEN BACK	AS AT 31/03/14	AS AT 31/03/14	AS AT 31/03/13
Tangible Assets										
Freehold Land at Virar	255.60	-	-	255.60	-	-	-	-	255.60	255.60
Freehold Land at Wada	136.03	-	-	136.03	-	-	-	-	136.03	136.03
Leasehold Land Deposit	400.00	-	-	400.00	-	-	-	-	400.00	400.00
Factory Building	3,695.29	-	-	3,695.29	851.92	121.68	-	973.60	2,721.69	2,843.37
Building at Wada	728.98	-	-	728.98	266.27	24.35	-	290.62	438.36	462.71
Godown	75.25	-	-	75.25	27.61	2.51	-	30.12	45.13	47.64
Residential & Commercial Premises	1,999.96	1.06	-	2,001.02	16.18	14.55	-	30.73	1,970.29	1,983.78
Plant & Machinery	3,997.28	1,435.86	74.16	5,358.98	2,005.75	212.40	74.16	2,143.99	3,214.99	1,991.53
Electric Fittings	103.29	9.99	-	113.28	60.91	5.38	-	66.29	46.99	42.38
Computers	108.46	9.22	-	117.68	86.08	4.59	-	90.67	27.01	22.38
Office equipments	83.26	3.55	-	86.81	42.16	3.98	-	46.14	40.67	41.10
Furniture & Fixtures	97.86	0.83	-	98.69	68.85	6.22	-	75.07	23.62	29.01
Vehicle	566.66	66.53	1.42	631.77	345.35	60.82	-	406.17	225.60	221.31
Total Tangible assets (a)	12,247.92	1,527.04	75.58	13,699.38	3,771.08	456.48	74.16	4,153.40	9,545.98	8,476.84
Intangible Assets										
Brand Development	42.15	-	-	42.15	42.15	-	-	42.15	-	-
Software	8.89	1.03	-	9.92	0.48	1.47	-	1.95	7.97	8.41
Total intangible assets (b)	51.04	1.03	-	52.07	42.63	1.47	-	44.10	7.97	8.41
Total (a+b)	12,298.96	1,528.07	75.58	13,751.45	3,813.71	457.95	74.16	4,197.50	9,553.95	8,485.25
Previous Period	11,706.42	1,175.37	582.83	12,298.96	3,405.46	408.25	-	3,813.71	8,485.25	8,300.96

NOTE H – Non-current Investments

(Rs. in Lacs)

Particulars	Current Year Ended 31.03.2014	Previous Year Ended 31.03.2013
Trade Investments	-	-
Other Investments		
a) Investment in Government or Trust Securities	2.27	2.27
b) Investment in Land	255.66	-
c) Investment in Property	4,638.96	-
	4,896.89	2.27
Aggregate amount of unquoted investments	2.27	2.27

NOTE I – Long-Term Loans and Advances

(Rs. in Lacs)

Particulars	Current Year Ended 31.03.2014	Previous Year Ended 31.03.2013
Secured		
a) Capital Advances	630.73	910.91
b) Security Deposits	12.97	112.15
c) Other Loans & Advances		
Advance Income Tax	2,514.46	2,413.09
	3,158.16	3,436.15

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NOTE J – Inventories

(Rs. in Lacs)

Particulars	Current Year Ended 31.03.2014	Previous Year Ended 31.03.2013
(Stock-in-trade as per Inventories taken Valued & Certified by the Management)		
a) Raw Material & Packing Materials	645.89	555.98
b) Stock in Process (Work in Progress)	384.69	181.65
c) Stock of Finished Goods	94.49	-
d) Stock of Stores & Spares	251.35	49.80
	1,376.42	787.43

(Stock-in-trade as per Inventories taken Valued & Certified by the Management)

The cost of various categories of inventory is determined as follows:

- 1) Stock of Raw Materials and Packing Material : At cost Including Local Taxes (Net of Setoff) or net realisable value whichever is lower
- 2) Stock in Process : At cost or net realisable value, whichever is lower
- 3) Stock of Finished Goods: At cost or net realisable value, whichever is lower
- 4) Stock of Stores and Spares: At cost or net realisable value, whichever is lower
- 5) Stock of Scrap: At net realisable value

NOTE K – Trade Receivables

(Rs. in Lacs)

Particulars	Current Year Ended 31.03.2014	Previous Year Ended 31.03.2013
(Unsecured, considered good)		
Debts outstanding for a period exceeding six Months)	1.70	1.30
Other Debts	18.03	27.57
	19.73	28.87

NOTE L - Cash & Cash Equivalents

(Rs. in Lacs)

Particulars	Current Year Ended 31.03.2014	Previous Year Ended 31.03.2013
a) Balances with Banks		
i) In Current Accounts	189.69	78.63
ii) In Unpaid Dividend Account	38.53	36.09
iii) In Fixed Deposits	281.77	207.00
b) Cash-on-hand	25.57	80.25
	535.56	401.97

NOTE M - Short term Loans & Advances

(Rs. in Lacs)

Particulars	Current Year Ended 31.03.2014	Previous Year Ended 31.03.2013
a) Others		
Prepaid Expenses	135.85	99.54
Staff Advance	1.11	1.15
Advances for expenses	2.50	0.24
	139.46	100.93

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NOTE N - Revenue from Operations

(Rs. in Lacs)

Particulars	Current Year Ended 31.03.2014	Previous Year Ended 31.03.2013
a) Sale of Products	97,628.30	93,880.06
	<u>97,628.30</u>	<u>93,880.06</u>
Less: State Excise Duty	49,100.82	46,618.44
MVAT (Net of Setoff)	19,663.44	18,485.73
	<u>28,864.04</u>	<u>28,775.89</u>

NOTE O - Other Income

(Rs. in Lacs)

Particulars	Current Year Ended 31.03.2014	Previous Year Ended 31.03.2013
a) Intesest Income	24.70	63.17
b) Dividend Income	0.14	0.06
c) Net gain on sale of Investment	-	59.17
d) Other non Operating Income	31.17	18.93
	<u>56.01</u>	<u>141.33</u>

NOTE P - Cost of Materials Consumed

(Rs. in Lacs)

Particulars	Current Year Ended 31.03.2014	Previous Year Ended 31.03.2013
Raw Materials Consumed - Rectified Spirit		
Opening Stock	-	20.57
Add : Purchases	12,745.42	13,329.59
	<u>12,745.42</u>	<u>13,350.16</u>
Less : Closing Stock	166.99	-
	<u>12,578.43</u>	<u>13,350.16</u>
Packing and Other Materials Consumed		
Opening Stock	555.98	674.22
Add : Purchases	9,712.52	9,949.50
	<u>10,268.50</u>	<u>10,623.72</u>
Less : Closing Stock	478.90	555.98
	<u>9,789.60</u>	<u>10,067.74</u>
Gross	<u>22,368.03</u>	<u>23,417.90</u>

NOTE Q - Changes in inventories of finished goods

Work-In-Progress & Stock in Trade

(Rs. in Lacs)

Particulars	Current Year Ended 31.03.2014	Previous Year Ended 31.03.2013
Opening Stock		
Finished Goods	-	142.37
Work-in-process	181.65	193.72
Scrap	-	-
	<u>181.65</u>	<u>336.09</u>
Less : Closing Stock		
Finished Goods	94.49	-
Work-in-process	384.69	181.65
Scrap	-	-
	<u>479.18</u>	<u>181.65</u>
	<u>(297.53)</u>	<u>154.44</u>

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NOTE R - Employee benefit Expenses

(Rs. in Lacs)

Particulars	Current Year Ended 31.03.2014	Previous Year Ended 31.03.2013
Salaries & Wages	505.35	460.88
Bonus to Staff & Workers	24.83	17.02
Contribution to Provident & other Funds	31.12	28.63
Employees Welfare	102.58	86.79
	663.88	593.32

NOTE S - Finance Costs

(Rs. in Lacs)

Particulars	Current Year Ended 31.03.2014	Previous Year Ended 31.03.2013
Interest on Term Loan	192.18	11.66
Interest on Overdraft	74.77	234.97
Bank Interest and Charges	9.44	1.47
	276.39	248.10

NOTE T - Other Expenses

(Rs. in Lacs)

Particulars	Current Year Ended 31.03.2014	Previous Year Ended 31.03.2013
Stores & Spares Consumed	45.40	46.53
Repairs & Maintenance		
- Plant & Machinery	22.17	75.35
- Building	220.35	190.82
- Others	155.23	155.17
Excise Supervision Charges	17.06	13.34
Power & Fuel	130.19	125.60
Rent, Rates & Taxes	180.51	57.98
LBT Charges	302.15	382.82
Licence Fees	74.15	83.32
Legal and Professional Charges	77.24	80.80
Legal Expenses	3.13	6.24
Postage, Telephone and Telegram Expenses	5.57	5.29
Printing & Stationery	8.07	8.90
Insurance	48.26	36.94
Directors Remuneration	102.17	74.80
Travelling & Conveyance	15.68	14.39
Donation	287.42	194.62
Vehicle Expenses	417.97	346.16
Advertisement and Publicity	1.55	1.85
Auditors Remuneration		
- Audit Fees	10.11	6.07
- Tax Audit Fees	3.37	1.35
- Taxation Matters	3.37	1.34
Miscellaneous Expenses	56.30	89.75
	2,187.42	1,999.43

ADDITIONAL NOTES ON ACCOUNTS

Accounting Policies and Notes forming part of accounts for the year ended March 31, 2014

1. Significant Accounting Policies:

Basis of Accounting:

These financial statements have been prepared under historical cost convention from books of accounts maintained on an accrual basis (unless otherwise stated hereinafter) in conformity with accounting principles generally accepted in India and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred to Sec 211(3C) of the Companies Act, 1956, of India. The accounting policies applied by the company are consistent with those used in previous year.

Fixed Assets:

Fixed Assets are stated at their original cost, which includes expenditure incurred in the acquisition of Assets/ construction of Assets, Pre-operative expenses till the commencements of operation and Interest up to the date of commencement of commercial production.

Depreciation:

Depreciation has been provided on the straight-line method in accordance with Schedule XIV of the Companies Act, 1956.

Investments:

Long term Investments are stated at acquisition cost and provision is made for diminution, other than temporary, in value of the investments. Current investments are valued at lower of cost or market value/net asset value.

Inventories:

The cost of various categories of inventory is determined as follows:

- | | | |
|---------------------------------------|---|--|
| 1. Raw material and Packing Materials | : | At Cost including local taxes (Net of setoff) or Net realisable value, whichever is lower. |
| 2. Stock in Process | : | At Cost or Net realisable value, whichever is lower. |
| 3. Stock of Finished Goods | : | At Cost or Net realisable value, whichever is lower. |
| 4. Consumable Stores & Spares | : | At Cost or Net realisable value, whichever is lower. |
| 5. Scrap | : | At Net realisable value |

Cost of raw material and packing materials are determined using first in first out (FIFO) method. Costs of finished goods and stock in process include cost of raw material and packing materials, cost of conversion and other costs incurred in bringing the inventories to the present location and condition.

Employees Retirement Benefits:

(a) Defined Contribution Plans.

The Company has Defined Contribution Plan post employment benefit in the form of provident fund for eligible employees, which is administered by Regional Provident Fund Commissioner; Provident fund is classified as Defined Contribution Plan as the Company has no further obligation beyond making the contributions. The Company's contributions to defined Contribution Plans are charged to the Profit and Loss Account as and when incurred.

(b) Defined Benefit Plan.

The Company has Defined Benefit Plan for post employment benefit in the form of Gratuity for eligible employees, which is administered through a Group Gratuity Policy with Life Insurance Corporation of India (L.I.C). The Liability for the above Defined Benefit Plan is provided on the basis of an actuarial valuation as carried out by L.I.C. The actuarial method used for measuring the liability is the Projected Unit Credit Method.

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- (c) Termination Benefits, if any, are recognized as an expense as and when incurred.
- (d) The Company does not have policy of leave encashment and hence there is no liability on this account.

Refer to additional note no.14

Revenue recognition:

Gross Sales are inclusive of State Excise duty, MVAT, and Net of returns, Claims, and Discount etc.

The Company recognises sale of goods when the significant risks and rewards of ownership are transferred to the buyer, which is usually when the goods are loaded in party's vehicle and are ready for dispatch after clearance from excise officials at the factory.

Interest Income is accounted on accrual basis and dividend income is accounted on receipt basis.

Fixed deposit interest is accounted as per statement/documents issued by banks.

Excise Duty:

State Excise duty payable on finished goods is accounted for on clearance of goods from the Factory. Company's products do not attract any Central Excise duty.

Brand Development:

The Company had incurred expenses on brand development of various products. The expenses were accounted as per prevailing Industry practices.

Value Added Tax (VAT):

VAT payable of finished goods is accounted net of setoff i.e. VAT payable on finished goods less VAT paid on inputs.

Taxation:

Provision is made for income tax liability estimated to arise on the results for the year at the current rate of Tax in accordance with Income Tax Act, 1961.

In accordance with the According standard 22, Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India, deferred Tax resulting from timing differences between book profit and Tax profit is accounted for, at the current rate of Tax, to the extent the timing differences are expected to crystallize.

Deferred Tax arising on account of depreciation is recognised only to the extent there is a reasonable certainty of realisation.

Provisions:

A provision is recognized when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions, other than employee's benefits, are not discounted to their present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

Expenditure:

Expenses are net of taxes recoverable, where applicable.

1. Impairment of Assets:

Impairment losses, if any, are recognized in accordance with the accounting standard 28 issued in this regard by The Institute of Chartered Accountants of India.

2. Notes on Accounts forming part of accounts

1. Clarification regarding note pertaining to "Transport Fee Liability" mentioned in earlier years.

The Company had, along with other manufacturers of Country Liquor and IMFL in the State of Maharashtra, filed a Writ Petition in the Hon'ble Bombay High Court challenging the applicability of "Transport Fee" under Bombay Rectified Spirit (Transport in Bond) Rules 1951.

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The Hon'ble Bombay high Court by its Order and Judgment dated 6th May, 2011 had allowed the Writ Petitions and set aside the levy of Transport Fee under the said Rules. The Hon'ble Bombay High Court has also directed the Government of Maharashtra to Refund the "Transport Fee" Deposited pursuant to the Interim Order. The Government is yet to Refund the deposit of "Transport Fee" made by the Company.

The State of Maharashtra has also filed a Special Leave Petition in the Hon'ble Supreme Court Of India against the said Order of the Bombay High Court which is pending for admission.

2. MVAT / Income Tax

Under the MVAT Act in force from 1/4/2005 there is no procedure for assessment. The Company is filing monthly MVAT returns on regular basis and all dues have been paid as per the returns. The MVAT department of Government of Maharashtra has completed Audit of the company's transactions up to the financial year 2010-11. The Company has also filed the audit report as required under the MVAT Act up to the year 2012-13 and there are no dues payables under the provisions of the MVAT Act as on March 31, 2014.

The company's Income Tax assessment has been completed up to assessment year 2011-12 and the demands raised by the department has already been paid by the company.

3. Capital Contracts

Estimated amount of contracts remaining to be	2013-2014	2012-2013
Executed on capital accounts and not provided for	Nil	Nil

4. State Excise

As per practice consistently followed, State Excise duty payable on finished goods held in works is neither included in expenditure nor included in such stocks, but is accounted for on clearance of the goods. This accounting treatment has no impact on profits.

5. Remuneration to Directors

		(Rs. in Lacs)
Remuneration of Directors	2013-14	2012-2013
Salary	99.00	72.00

6. In the opinion of the Board of Directors, the Current Assets, Loans and Advances are approximately of the value stated if realised in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of amount reasonably necessary.

7. The Company has not received complete intimation from all the vendors regarding their status as small-scale industrial undertaking. However, where the company has received the information regarding the status of the vendors there are no amounts outstanding for more than Rs.1,00,000/- for more than 30 days.

8. Additional information pursuant to paragraph 3,4(C) & 4(D) OF PART II to Schedule VI of the Companies Act, 1956 have been given to the extent applicable to the Company.

(a) Value of Raw Materials consumed:	Quantity	Value
		(Rs. in Lacs)
	Unit	2,71,45,463
		12,578.43
Rectified & Natural Spirit	BL	(2,89,10,207)
		(13,350.16)

Note: Packing and other materials consumed are not considered as Raw materials and hence no separate figures are given

(b) Value of Imported & Indigenous Raw materials, Packing & other materials consumed:

	% to Total	Value (Rs. In Lacs)	
	consumption	2013-14	2012-13
i) Imported	0	—	—
ii) Indigenous	100	22,115.90	23,618.87

G. M. BREWERIES LIMITED

(c) Information for each class of goods:

Manufactured and sold during the year (with reference to bottling capacity)

	Unit	Installed Capacity	Actual Production	Quantity	Sales Value (Rs. In Lacs)
Indian Made	BL	1,10,16,000	—	—	—
Foreign Liquor		(1,10,16,000)	(—)	(—)	(—)
Country Liquor	BL				
Hall No. 1		6,87,96,000			
Hall No. 2		4,21,20,000			
Hall No. 3		2,66,76,000			
	Total	13,75,92,000 *	5,97,01,893	5,94,46,893	97,628.30
		(13,75,92,000)	(6,48,40,269)	(6,54,29,386)	(93,880.06)

* As certified by the management.

(d) Particulars of Opening and Closing Stock of Finished goods after adjusting returns:

	Unit	Opening Stock		Closing Stock	
		Quantity	Value (Rs. In Lacs)	Quantity	Value (Rs. In Lacs)
Indian Made	BL	—	—	—	—
Foreign Liquor		(—)	(—)	(—)	(—)
Country Liquor	BL	Nil	Nil	2,55,000	94.49
		(5,89,117)	(142.37)	(Nil)	(Nil)

9. Related Party Disclosures

(a) List of Related Parties

i) Key Management Personnel

- Jimmy Almeida – Chairman & Managing Director
- Jyoti Jimmy Almeida- Whole Time Director

(b) Details of transactions

Nature of Transaction	Key Management Personnel Personnel (Rs.in Lacs)
Rent Paid	150.14
Remuneration	099.00
Outstanding	Nil
Trade Receivables	Nil

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10. Earning per share

(Rs.in Lacs)

Particulars	2013-14	2012-13
Net profit after tax before adjustment of Income Taxes of earlier year	2153.91	1392.40
Weighted Average Number of Equity Shares (No's)	93,58,100	93,58,100
Earning Per Share before adjustment of Income Tax of earlier years (Rs.)	23.02	14.88

11. During the year company has created deferred tax liability of Rs.134.92 lacs on account of different rates of depreciation as per Income Tax Act 1961 and depreciation as debited in books of accounts as per Company's Act 1956.

12. Segment Reporting:

The Company at present is engaged in the business of manufacture and sale of country liquor, which constitutes a single business segment. In view of above, primary and secondary reporting disclosures for business/geographical segment as envisaged in AS -17 are not applicable to the Company.

13. Auditors Remuneration:

(Rs.in Lacs)

Sr. No.	Particulars	Current Year	Previous Year
1	Audit Fees	10.11	6.07
2	Tax Audit	3.37	1.35
3	Taxation Matters	3.37	1.34
	Total	16.85	8.76

14. Employees Benefits:

The Company has made a payment of Rs.4,79,028/- to Companies Group Gratuity Fund with LIC for the current year's contribution for 179 employees on companies roll. The payment is made based on the year on year payment estimates received from LIC in the past years. In view of inability of LIC to provide data (due to systems issue at their end) based on actuarial valuation, the information as provided in AS-15 (Revised) is not furnished. The excess or short payment will be accounted for on receipt of data from LIC.

15. The figures of the previous years have been regrouped / rearranged wherever necessary. The Figures of the previous years are given in brackets. The company has compiled the above accounts based on the revised/Modified schedule VI applicable for the accounting period 2013-2014. The disclosure requirements are made in the notes to accounts or by way of additional statements. The other disclosures as required by the Companies Act are made in the notes to accounts.

As per our report of even date attached
for V. P. Mehta & Company
Chartered Accountants
Firm Registration No. 106326W

Vipul P. Mehta
Proprietor
Membership No. 035722

Mumbai, April 03, 2014

Chairman & Managing Director

Wholetime Director

Directors

Chief Financial Officer

Company Secretary & Manager Accounts

Jimmy Almeida

Jyoti J. Almeida

Mukund G. Diwan
Paresh N. Trivedi
Kiran Y. Parashare
Dilip J. Diwan

S. Swaminathan
Sandeep Kutchhi

Mumbai, April 03, 2014

G. M. BREWERIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(Rs. in Lacs)

Particulars	Current Year 2014	Previous Year 2013
A. Cash Flow from Operating Activities		
Net Profit before tax	3,263.91	2,095.78
Adjustments for :		
Depreciation	457.95	408.25
Interest	276.39	248.10
Indirect Taxes	68,764.26	65,104.17
Dividend Received	(0.14)	(0.06)
Interest Received	(24.70)	(63.17)
Other Non-Operating Income	(31.17)	(78.10)
Operating Profit before Working Capital Changes	72,706.50	67,714.97
Adjustments for :		
(Increase)/Decrease in Trade and Other Receivables	(606.27)	(1,091.43)
(Increase)/Decrease in Inventories	(588.99)	293.24
Increase/(Decrease) in Trade Payables	1,144.68	477.16
Cash generated from Operations	72,655.92	67,393.94
Direct Taxes Paid	1,153.65	692.63
Indirect Taxes Paid	68,704.59	64,963.95
Net Cash from Operating Activities	2,797.68	1,737.36
B. Cash Flow from Investing Activities		
Increase in Fixed Assets	2,150.93	(1,932.95)
Increase in Investments	(4,894.62)	-
Interest Received	24.70	63.17
Dividend Received	0.14	0.06
Other Non-Operating Income	31.17	78.10
Net Cash (used in)/from Investing activities	(2,687.68)	(1,791.62)
C. Cash Flow from Financing Activities		
Increase/(Decrease) in Long Term Borrowings	571.88	(225.22)
Interest Paid	(276.39)	(248.10)
Dividend Paid	(233.95)	(233.95)
Tax on distributed profits	(37.95)	(38.86)
Net Cash (used in)/from Financing activities	23.59	(746.13)
D. Net Changes in Cash and Cash Equivalents (A+B+C)	133.59	(800.39)
E. Cash and Cash Equivalents at beginning of the Period	401.97	1,202.36
F. Cash and Cash Equivalents at End of the Period	535.56	401.97

As per our report of even date attached
for V. P. Mehta & Company
Chartered Accountants
Firm Registration No. 106326W

Vipul P. Mehta
Proprietor
Membership No. 035722

Mumbai, April 03, 2014

Chairman & Managing Director

Wholetime Director

Directors

Chief Financial Officer

Company Secretary & Manager Accounts

Jimmy Almeida

Jyoti J. Almeida

Mukund G. Diwan
Paresh N. Trivedi
Kiran Y. Parashare
Dilip J. Diwan

S. Swaminathan
Sandeep Kutchhi

Mumbai, April 03, 2014

FINANCIAL HIGHLIGHTS FOR THE PAST 15 YEARS

(Rs. in Lacs)

Year	Share Capital	Reserves & Surplus	Total Own Funds	Bank Secured Borrow.	Current Liabilities	Contingent Liabilities	Total Liabilities	Gross Fixed Assets	Current Assets	State Excise Duty Pd.	Sales Tax Pd.	Total Rev. To State Govt.	Interest & Financial Charges	Gross Sales	Profit Before Tax	Tax Prov.	Profit After Tax	Dividend Paid (%)
2014	936.66	10513.96	11450.62	2853.21	7302.55	Nil	10155.76	13751.45	6933.74	49100.82	19663.44	68764.26	276.39	97628.30	3263.91	1114.23	2149.68	25*
2013	936.66	8636.18	9572.84	2281.33	6198.38	Nil	8479.71	12298.46	5604.89	46618.44	18485.73	65104.17	248.10	93880.06	2095.78	818.37	1277.41	25
2012	936.66	7630.67	8567.33	2506.55	5488.55	Nil	7995.10	11706.42	5607.09	44081.41	17554.53	61635.94	272.63	87334.09	2087.89	704.73	1383.16	25
2011	936.66	6520.32	7456.98	2965.69	1904.44	Nil	4870.13	11741.33	6031.39	32166.94	11701.93	43868.87	249.47	67031.70	3167.02	1084.68	2082.34	25
2010	936.66	4690.11	5626.77	1839.79	2162.28	Nil	4007.62	9903.58	4021.11	29470.64	9874.36	39345.00	198.18	61309.49	1020.85	355.07	665.78	20
2009	936.66	4249.11	5185.77	1457.52	1844.38	Nil	3301.90	9614.80	1647.03	26721.09	7416.40	34137.49	189.55	55110.92	1384.91	479.38	905.53	20
2008	936.66	3607.85	4544.51	1453.01	1688.45	Nil	3141.46	8504.03	1631.42	24586.34	7089.95	31676.29	179.35	50259.70	2249.33	776.23	1473.10	25
2007	936.66	2416.27	3352.93	1432.78	1827.28	Nil	3260.06	7201.61	1486.27	21349.28	6145.37	27494.65	199.87	44796.28	1806.35	619.79	1186.56	18
2006	936.66	1462.22	2398.88	2316.99	2050.55	Nil	4367.54	5921.63	3316.52	16227.00	4743.55	20970.55	261.15	36451.47	2027.47	688.92	1338.55	15
2005	936.66	508.25	1444.91	2041.05	1841.39	Nil	3882.44	4985.29	1761.63	9048.75	3258.33	12307.08	295.48	19481.76	100.71	25.44	75.27	06
2004	936.66	498.96	1435.62	2235.32	1361.40	Nil	3596.72	4710.52	1569.49	8256.63	2745.62	11002.25	331.67	16434.44	118.06	8.75	109.31	06
2003	936.66	462.54	1399.20	2526.09	1522.61	Nil	4048.70	4563.18	1976.74	8014.83	2701.51	10716.34	390.47	16181.97	136.18	23.77	112.41	06
2002	936.66	443.42	1380.08	2537.66	2141.36	Nil	4679.02	4438.58	2442.38	7137.76	2421.23	9558.99	442.79	14510.04	124.47	40.23	84.24	06
2001	936.57	411.41	1347.98	2812.21	2071.89	Nil	4884.10	4330.40	2619.07	6110.16	1972.39	8082.55	556.08	13089.30	70.73	6.00	64.73	05
2000	936.57	399.09	1335.66	3467.89	1931.85	42.75	5442.49	4287.85	2909.46	5817.59	336.34	6153.93	614.53	10487.73	51.03	6.00	45.03	04

* Proposed

Note : As the current year figures have been compiled as per the revised schedule VI format, regrouping has been done wherever required to make comparison with the previous year figures.

G. M. BREWERIES LIMITED

AN APPEAL towards the cause of GREEN INITIATIVE

As the members may be aware of, the Ministry of Corporate Affairs has evolved **Green Initiative in Corporate Governance** by allowing paperless compliance by Companies through electronic mode. Companies are now permitted to send various notices and documents including Annual Report to its share holders through electronic mode to their registered email addresses. To make this **Green Initiative** of the Government, a total success and in the **National Interest**, members are kindly requested to register their email addresses at gmbreweries.gogreen@sharexindia.in in respect of shares held in dematerialized form with the Depositories through their respective Depositories participants. The registration of Email Id by the members will be treated as consent to receive all notices and documents (including Annual Report) in future only through electronic mode. The members will also have the option to download the documents from the Company's website i.e. www.gmbreweries.com

NOTES



G. M. BREWERIES LIMITED

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

PROXY FORM

ANNUAL GENERAL MEETING

No. of Shares held _____

Regd. Folio No. _____
D. P. ID No. _____
Client ID No. _____

I/We _____ of _____
being a Member/Members of **G. M. BREWERIES LTD.** hereby appoint _____
_____ of _____ as my/our **proxy** to vote for me/us on my/our behalf
at the **ANNUAL GENERAL MEETING** of the Company to be held on Tuesday, May 06, 2014 and at any
adjournment there of.

Signed on this _____ day of _____ 2014

Note :

The proxy form duly completed should be deposited at the Registered office
of the Company not less than forty eight hours before the time fixed for holding
this meeting.

Affix
Revenue
Stamp
Signature

G. M. BREWERIES LIMITED

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

ATTENDANCE SLIP

31st Annual General Meeting - May 06, 2014

I hereby record my presence at the **THIRTYFIRST ANNUAL GENERAL MEETING** of the Company held
at **Joshi's Kohinoor Hall, 3rd Floor, S. Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025.** on Tuesday,
May 06, 2014 at 04.30 p.m.

Full Name of the Member (in **BLOCK LETTERS**) _____

Regd. Folio No. _____ No. of Shares held _____

DP ID No. _____ Client ID No. _____

Full name of the Proxy (in **BLOCK LETTERS**) _____

Member's / Proxy's Signature _____

Book-Post

Mr./Mrs. _____

If not delivered, please return to :

G. M. BREWERIES LIMITED

CIN : L15500MH1981PLC025809

Regd. Office :

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