



***G. M. BREWERIES LIMITED***

**34th Annual Report 2016-2017**

## **G. M. BREWERIES LIMITED**

### **BOARD OF DIRECTORS**

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

### **Chief Financial Officer**

Shri. S. Swaminathan

### **Company Secretary & Manager - Accounts**

Shri. Sandeep Kutchhi

#### **Auditors**

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

#### **Bankers**

Central Bank of India  
Prabhadevi, Mumbai - 400 025

IDBI Bank  
Prabhadevi, Mumbai - 400 025

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

#### **Regd. Office**

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

#### **Factory**

S. Veer Savarkar Marg, Virar (East),  
Dist. Palghar - 401 305 State : Maharashtra (India)  
Phone : 0250 - 6293232/33, 6093232/33

#### **Share Transfer Agent**

Sharex Dynamic (India) Pvt. Ltd.  
Unit - 1, Luthra Indl. Premises, Safed Pool, Andheri  
Kurla Rd., Andheri (E), Mumbai - 400 072,  
Phone : 28515606, 28515644, Fax : 2851 2885.  
Email : sharexindia@vsnl.com

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## 34th Annual Report 2016-2017

### NOTICE

Notice is hereby given that the 34th Annual General Meeting of the Members of G.M. Breweries Limited (CIN: L15500MH1981PLC025809) will be held at Joshi's Kohinoor Hall, 3rd Floor, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025 on Thursday the May 18, 2017 at 04.30 p.m. to transact the following business:

#### Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2017 and statement of Profit and Loss Account for the year ended on that date, the Report of Directors and Auditor's thereon.
2. To declare dividend on the equity shares.
3. To appoint a Director in place of Smt. Jyoti Almeida (DIN: 00112031), who retires by rotation and being eligible, offers herself for re- appointment.
4. To appoint a Director in place of Shri. Kiran Parashare (DIN:06587810), who retires by rotation and being eligible, offers himself for re- appointment.
5. To consider and if thought fit, to pass , the following resolution as ordinary resolution:

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

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

Mumbai  
April 06, 2017

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

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

Jimmy Almeida  
Chairman and Managing Director

## **G. M. BREWERIES LIMITED**

### NOTES :-

- a) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member. The proxies should, however, be deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting.
- b) A person can act as a proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other Member.
- c) Corporate members intending to send their authorized representatives to attend the Annual General Meeting, pursuant to section 113 of the Companies Act, 2013, are requested to send to the company, a certified copy of the relevant Board resolution together with the respective specimen signatures of those representatives authorized under the said resolution to attend and vote on their behalf at the meeting.
- d) Members, Proxies and Authorised representatives are requested to bring to the meeting, the attendance slips enclosed herewith duly completed and signed mentioning therein details of DP ID and Client ID/Folio No.
- e) In case of joint holders attending the meeting, the joint holder who is higher in the order of names will be entitled to vote at the meeting.
- f) The Register of Members and Share Transfer Books of the Company will be closed from Friday, May 12, 2017 to Thursday, May 18, 2017, both days inclusive, for payment of dividend, if any, declared/ approved, at Annual General Meeting.
- g) If dividend proposed is declared at the Annual General Meeting, the payment of such dividend will be made to those members of the company whose names stand on the Register of Members of the Company on May 18, 2017. The dividend in respect of shares held in dematerialized form in Depository System will be paid to the beneficial owners of shares as on May 11, 2017 as per the list provided by the Depositories for this purpose. The dividend will be payable within 30 days of the approval of the same in the Annual General Meeting.
- h) Shareholders desiring any information as regards the Accounts are required to write to the Company at least seven working days in advance of the meeting so that the information, to the extent practicable, can be made available at the meeting.
- i) Members are requested to notify immediately changes, if any, in their registered addresses to the Company's Registrar and Share Transfer Agents M/s. Sharex Dynamics (India) Pvt. Ltd., Unit -1, Luthra Indl. Premises, Safed Pool, Andheri-Kurla Rd., Andheri (E), Mumbai, - 400 072. Members are also requested to furnish their Bank details to the company's Share Transfer Agents immediately for printing the same on the dividend warrants/cheques to prevent fraudulent encashment of the instruments.
- j) Smt. Jyoti Jimmy Almeida & Shri. Kiran Yashawant Parashare - directors retire by rotation and, being eligible, offer themselves for re-appointment at the Annual General Meeting. A brief resume of the said directors is given below.

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

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

### PROCESS FOR MEMBERS OPTING FOR E-VOTING

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

Mumbai,  
April 06, 2017

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

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

Jimmy Almeida  
Chairman & Managing Director

## **G. M. BREWERIES LIMITED**

### **Annexure A to the notice**

#### **Instructions for the voting through electronic means**

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

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

## G. M. BREWERIES LIMITED

### DIRECTORS' REPORT TO THE MEMBERS

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

#### Financial Results:

(Rs. Lacs)

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

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

#### OPERATIONAL REVIEW:

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

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



### **DIVIDEND:**

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

### **SHARE CAPITAL:**

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

### **FINANCE:**

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

### **FIXED DEPOSITS:**

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

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

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

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

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

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

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

### **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

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

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

### **CONSERVATION OF ENERGY:**

- a) Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilisation and maximum possible savings of energy is achieved.
- b) No specific investment has been made in reduction in energy consumption.
- c) As the impact of measures taken for conservation and optimum utilisation of energy are not quantitative, its impact on cost cannot be stated accurately.
- d) Since the Company does not fall under the list of industries, which should furnish this information in Form A annexed to the aforesaid Rules, the same has not been submitted.

## **G. M. BREWERIES LIMITED**

### **TECHNOLOGY ABSORPTION:**

Company's products are manufactured by using in-house know how and no outside technology is being used for manufacturing activities. Therefore no technology absorption is required. The Company constantly strives for maintenance and improvement in quality of its products and entire Research & Development activities are directed to achieve the aforesaid goal.

### **FOREIGN EXCHANGE EARNINGS AND OUT-GO :**

During the period under review there was no foreign exchange earnings or out flow.

### **INDUSTRIAL RELATIONS:**

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

### **DIRECTORS:**

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

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

### **BOARD EVALUATION:**

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

### **REMUNERATION POLICY:**

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

### **MEETINGS:**

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

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

### **DIRECTOR'S RESPONSIBILITY STATEMENT:**

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The directors have prepared the annual account on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

- vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

### **SUBSIDIARY COMPANIES:**

The Company does not have any subsidiary.

### **CODE OF CONDUCT:**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviours of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "code of business conduct" which forms an Appendix to the Code. The Code has been posted on the Company's website [www.gmbreweries.com](http://www.gmbreweries.com).

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has a vigil mechanism named Fraud and Risk Management Policy to deal with instance of fraud and mismanagement, if any.

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Fraud Risk and Management Policy to deal with instances of fraud and mismanagement, if any. The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

### **PREVENTION OF INSIDER TRADING:**

In January 2015, SEBI notified the SEBI (Prohibition of insider trading) Regulations, 2015 which came into effect from May 15, 2015. Pursant thereto, the Company has formulated and adopted a new Code for Prevention of Insider Trading.

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All the Directors and the designated employees have confirmed compliance with the Code.

## **G. M. BREWERIES LIMITED**

### **AUDITOR'S REPORT/ SECRETARIAL AUDIT 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 134 of the Companies Act, 2013.

As required under section 204 (1) of the Companies Act, 2013 the Company has obtained a secretarial audit report.

### **AUDITORS:**

The Auditors M/s. V. P. Mehta & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting. The Board of Directors in their meeting held on April 06, 2017 has proposed the appointment of M/s. Priti.V.Mehta & Company, Chartered Accountants as auditors of the company for a period five years from the conclusion of this annual general meeting till the conclusion of 39th annual general meeting.

### **SECRETARIAL AUDIT:**

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed M/s. Kala Agarwal, a firm of company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as "Annexure B"

### **EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure C".

### **BUSINESS RISK MANAGEMENT:**

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & under regulation 21 of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015, the company has constituted a Business Risk Management Committee. The details of the committee and its terms of reference are set out in the corporate governance report forming part of the Boards report.

At present the company has not identified any element of risk which may threaten the existence of the company.

### **INFORMATION PURSUANT TO SECTION 197(12) READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

1. Ratio of remuneration of each director to the median remuneration of the employees of the company for the year 2016-2017

<b>Name &amp; Designation of the Director</b>	<b>Remuneration (Amount Rs. in Lakhs)</b>	<b>Ratio to Median remuneration</b>
Shri. Jimmy Almeida- CMD	132.00	49.04
Smt. Jyoti Almeida- Executive Director	60.00	22.29
Shri. Kiran Parashare- Executive Director	18.00	6.69
Shri. Paresh Trivedi- Independent Director	0.80	Not Applicable as only sitting fees is paid to him during the year
Shri. Dilip Diwan- Independent Director	0.80	Not Applicable as only sitting fees is paid to him during the year
Shri. Shantilal Haria- Independent Director	1.00	Not Applicable as only sitting fees is paid to him during the year

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2. The percentage increase in remuneration of each Director, CEO, CFO, CS or manager if any in the financial year 2016-17 compared to 2015-16

Name & Designation of the Director, CEO, CFO and CS	Remuneration for the year ended 2016-17 (Rs.in Lakhs)	Remuneration for the year ended 2015-16 (Rs.in Lakhs)	% Change
Shri. Jimmy Almeida- CMD	132.00	132.00	Nil
Smt. Jyoti Almeida- Executive Director	60.00	60.00	Nil
Shri. Kiran Parashare- Executive Director	18.00	01.00	1700
Shri. Paresh Trivedi- Independent Director	0.80	00.60	33.33
Shri. Dilip Diwan- Independent Director	0.80	01.00	-20
Shri. Shantilal Haria- Independent Director	1.00	00.20	400
Shri. S. Swaminathan-CFO	16.26	15.25	6.62
Shri. Sandeep Kutchhi-CS	10.50	09.00	16.67

3. The median remuneration of the employees has increased by 30.74 % in 2016-17 as compared to 2015-16.
4. Number of permanent employees on the rolls of the company

Financial Year	Number of permanent employees on the rolls of the company
2016-17	159
2015-16	165

5. Explanation on the relationship between average increase in remuneration and the company performance  
The companys overall turnover increased by 7.84% while the increase in the median remuneration was 30.74%. However, the company is paying fixed remuneration to the individuals based on the responsibility and position and the company has no policy of paying incentive/ bonus based on company's performance.
6. Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year- Not Applicable.
7. Key parameter for any variable component of remuneration availed by the director - Not Applicable as no variable remuneration is paid.
8. We affirm that the remuneration paid to the Directors, Key Managerial Personnel and employees is as per the remuneration policy of the Company.
9. Market capitalization & Price Earnings ratio details are as under

Particulars	As on March 31, 2017	As on March 31, 2016
Price Earnings Ratio	15.49	18.61
Market Capitalisation (Rs. In Crores)	680.29	1084.66
Net worth of the company (Rs. In Crores)	219.61	180.98

## **G. M. BREWERIES LIMITED**

### **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 under various regulations of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015.

#### **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

Mumbai  
April 06, 2017

Jimmy Almeida  
Chairman & Managing Director

**Annexure “A” to Boards Report**

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

- 1. A brief outline of the company’s CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.**

**CSR policy is stated herein below:**

**CSR Policy**

(Approved by the Board of Directors on 24.07.2014)

Our aim is to be one of the most respected companies in India delivering superior and everlasting value to all our customers, associates, shareholders, employees and Society at large.

The CSR initiatives focus on holistic development of host communities and create social, environmental and economic value to the society.

To pursue these objectives we will continue to:

- 1) Work actively in areas of eradication of hunger and poverty, provide opportunity and financial assistance for the promotion of education, provide medical aid to the needy and down trodden.
- 2) Collaborate with likeminded bodies like Voluntary organizations, charitable trusts, governments and academic institutes in pursuit of our goals.
- 3) Interact regularly with stakeholders, review and publicly report our CSR initiatives.

**Web Link:**

**<http://gmbreweries.com/images/CSR%20Policy.pdf>**

- 2. Composition of CSR committee**

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

- 3. Average net profit of the company for last three financial years:**

Average net profit: Rs.49.63 Crores

- 4. Prescribed CSR Expenditure ( Two percent of the amount as in item 3 above)**

The company is required to spend Rs.99.26 Lakhs

- 5. Details of CSR spend for the financial year :**

- a) Total amount spent for the financial year : Rs.99,67,189/-
- b) Amount unspent if any : Nil

## G. M. BREWERIES LIMITED

c) Manner in which the amount spent during the financial year is detailed below:

Sr. No	Projects/ Activities	Sector	Locations	Amount outlay (Budget) project or programme wise (Rs. Lakhs)	Amount spent on the project or programme (Rs. Lakhs)	Cumulative expenditure up to reporting period (Rs. Lakhs)	Amount spent: Direct or through implementing agency* (Rs. Lakhs)
1	Medical aid	Medical	Sagar (Madhyapradesh)	3.75	3.85	3.85	3.85
2	Food Distribution	Eradication of hunger	Sagar (Madhyapradesh) & Virar (Maharashtra)	95.92	95.82	95.82	95.82

\* Details of implementing agency : Sant Shree Gulabbaba Charitable Trust & G.M.Breweries Limited.

### **Compliance with Code of Conduct**

As provided under SEBI( Listing Obligations and Disclosure requirement) Regulations, 2015, the Board Members and the Senior management personnel have confirmed compliance with the Code of conduct for the year ended March 31, 2017.

For G.M. Breweries Limited

Mumbai  
April 06, 2017

Jimmy Almeida  
Chairman & Managing Director



**Annexure “B” to Boards Report  
SECRETARIAL AUDIT REPORT**

**For The Financial Year Ended On 31st March, 2017**

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the  
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members,  
G M Breweries Limited  
Ganesh Niwas, Ground Flr., Veer Savarkar Marg, Prabhadevi  
Mumbai- 400025

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. G M Breweries Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
  - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008;
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: and
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

## **G. M. BREWERIES LIMITED**

(v) OTHER APPLICABLE ACTS,

- (a) Factories Act, 1948
- (b) Payment Of Wages Act, 1936, and rules made thereunder,
- (c) The Minimum Wages Act, 1948, and rules made thereunder,
- (d) Employees' State Insurance Act, 1948, and rules made thereunder,
- (e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
- (f) The Payment of Bonus Act, 1965, and rules made thereunder,
- (g) Payment of Gratuity Act, 1972, and rules made thereunder,
- (h) Standards of Weights and Measurement Act, 1976
- (i) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
- (j) Air (Prevention & Control of Pollution) Act, 1981,
- (k) Hazardous Wastes (Management, Handling & Transboundry Movement) Rules, 2008
- (l) Food Safety and Standards Act, 2006, and rules made there under.
- (m) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

We have also examined compliance with the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance.

Majority of the decisions being carried through were captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Mumbai  
April 06, 2017

Kala Agarwal  
Practising Company Secretary  
COP No.: 5356

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

**'ANNEXURE A'**

To,  
The Members,  
**G M BREWERIES LIMITED**  
Ganesh Niwas Ground Flr.  
Veer Savarkar Marg,,  
Prabhadevi,  
Mumbai- 400025.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Mumbai  
April 06, 2017

Kala Agarwal  
Practising Company Secretary  
COP No.: 5356

## G. M. BREWERIES LIMITED

**Annexure “C” to Boards Report**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on March 31, 2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- L15500MH1981PLC025809
- ii) Registration Date : December 09, 1981
- iii) Name of the Company : G.M.Breweries Limited
- iv) Category / Sub-Category of the Company :Company Limited By Shares
- v) Address of the Registered office and contact details:  
Ganesh Niwas, S.V.S Marg, Prabhadevi, Mumbai 400025
- vi) Whether listed company: YES
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any

Sharex Dynamic (India) Private Limited, Unit-1, Luthra Indl. Premises, Safed Pool, Andheri Kurla Road, Andheri East, Mumbai 400 072. Phone no: 285155606, 28515644; Fax: 28512885

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Breweries	220890	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	N.A	N.A	N.A	N.A	N.A

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

*i) Category-wise Share Holding*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	74,57,208	Nil	74,57,208	63.75	93,21,509	Nil	93,21,509	63.75	Nil
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	12,49,434	Nil	12,49,434	10.68	15,61,791	Nil	15,61,791	10.68	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A) (1):-</b>	87,06,642	Nil	87,06,642	74.43	1,08,83,300	Nil	1,08,83,300	74.43	Nil
<b>(2) Foreign</b>									
a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A) (2):-</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	87,06,642	Nil	87,06,642	74.43	1,08,83,300	Nil	1,08,83,300	74.43	Nil
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds /Banks / FI	Nil	Nil	Nil	Nil	9,845	Nil	9,845	0.06	0.06
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt.(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Venture Capital funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIIs /FPIs	2,78,962	Nil	2,78,962	2.39	1,94,020	Nil	1,94,020	1.33	(1.06)
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(1):-</b>	2,78,962	Nil	2,78,962	2.39	2,03,865	Nil	2,03,865	1.39	(1.00)
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	1,73,222	6,625	1,79,847	1.54	1,83,445	8,279	1,91,724	1.31	(0.23)
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	13,18,534	5,22,528	18,41,062	15.74	19,92,568	5,86,275	25,78,843	17.64	1.90

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ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4,18,042	Nil	4,18,042	3.57	4,04,685	Nil	4,04,685	2.77	(0.80)
c) Others Clearing Members	74,880	Nil	74,880	0.64	1,45,286	Nil	1,45,286	0.99	0.35
d) NRI's	1,96,190	2,000	1,98,190	1.69	2,11,829	2,499	2,14,328	1.47	(0.22)
<b>Sub-total (B)(2):-</b>	<b>21,80,868</b>	<b>5,31,153</b>	<b>27,12,021</b>	<b>23.18</b>	<b>29,37,813</b>	<b>5,97,053</b>	<b>35,34,866</b>	<b>24.18</b>	<b>1.00</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	24,59,830	5,31,153	29,90,983	25.57	31,41,678	5,97,053	37,38,731	25.57	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	<b>1,11,66,472</b>	<b>5,31,153</b>	<b>1,16,97,625</b>	<b>100.00</b>	<b>1,40,24,978</b>	<b>5,97,053</b>	<b>1,46,22,031</b>	<b>100.00</b>	<b>Nil</b>

### (ii) Shareholding of Promoters

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			Shares of % change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Jimmy Almeida	72,24,425	61.76	Nil	90,30,531	61.76	Nil	Nil
2	Jyoti Almeida	2,32,783	1.99	Nil	2,90,978	1.99	Nil	Nil
3	Almeida Holdings P. Ltd.	12,49,434	10.68	Nil	15,61,791	10.68	Nil	Nil
	<b>Total</b>	<b>87,06,642</b>	<b>74.43</b>	<b>Nil</b>	<b>1,08,83,300</b>	<b>74.43</b>	<b>Nil</b>	<b>Nil</b>

Note : The shareholders were issued bonus shares in the ratio 1:4 on May 19, 2016 resulting in increase of number of shares.

### (iii) Change in Promoters Shareholding : NOT APPLICABLE

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the End of the year	N.A.	N.A.	N.A.	N.A.

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**(iv) Shareholding Pattern of top ten Shareholders as on March 31, 2017 (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	FIDELITY NORTHSTAR FUND				
	At the beginning of the year	1,50,000	1.28	-	-
	Bonus during the year	37,500	-	1,87,500	1.28
	Bought during the year	-	-	1,87,500	1.28
	Sold During The year	-	-	1,87,500	1.28
	At the end of the year	-	-	1,87,500	1.28
2	Mukul Agrawal				
	At the beginning of the year	1,67,000	1.43		
	Bonus during the year	41,750	-	2,08,750	1.43
	Bought during the year	-	-	2,08,750	1.43
	Sold During The year	48,750	0.33	1,60,000	1.09
	At the end of the year	-	-	1,60,000	1.09
3	Rohinton Khambatta				
	At the beginning of the year	52,000	0.45	-	-
	Bonus during the year	13,000	-	65,000	0.44
	Bought during the year	19,000	0.13	84,000	0.57
	Sold During The year	13,750	0.09	70,250	0.48
	At the end of the year	-	-	70,250	0.48
4	Jayant Yashawant Parashare				
	At the beginning of the year	77,398	0.66		
	Bonus during the year	19,349	-	96,747	0.66
	Transmission during the year	33,889	-	1,30,636	0.89
	Bought during the year	-	-	1,30,636	0.89
	Sold During The year	61,636	0.42	69,000	0.47
	At the end of the year	-	-	69,000	0.47
5	Urmila Dinesh Seetha				
	At the beginning of the year	54,000	0.46	-	-
	Bonus during the year	13,500	-	67,500	0.46
	Bought during the year	-	-	67,500	0.46
	Sold During The year	-	-	67,500	0.46
	At the end of the year	-	-	67,500	0.46
6	Japa Investment Adviser LLP				
	At the beginning of the year	28,668	0.25	-	-
	Bonus during the year	7,167	-	35,835	0.25
	Bought during the year	-	-	35,835	0.25
	Sold During The year	-	-	35,835	0.25
	At the end of the year	-	-	35,835	0.25
7	Globe Capital Market Limited				
	At the beginning of the year	604	0.005	-	-
	Bonus during the year	411	-	1,015	0.007
	Bought during the year	75,692	0.52	76,707	0.52
	Sold During The year	56,440	0.39	20,267	0.139
	At the end of the year	-	-	20,267	0.139

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8	Dinesh Seetha				
	At the beginning of the year	16,000	0.14	-	-
	Bonus during the year	4,000	-	20,000	0.14
	Bought during the year	-	-	20,000	0.14
	Sold During The year	-	-	20,000	0.14
	At the end of the year	-	-	20,000	0.14
9	Sharekhan Limited				
	At the beginning of the year	7,441	0.06	-	-
	Bonus during the year	4,047	0.03	11,488	0.08
	Bought during the year	1,36,639	0.93	1,48,127	1.01
	Sold During The year	1,28,811	0.88	19,316	0.13
	At the end of the year	-	-	19,316	0.13
10	Dilip Damodardas Raipancholia				
	At the beginning of the year	15,000	0.13	-	-
	Bonus during the year	3,750	-	18,750	0.13
	Bought during the year	-	-	18,750	0.13
	Sold During The year	-	-	18,750	0.13
	At the end of the year	-	-	18,750	0.13

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Jimmy Almeida- Chairman & Managing Director				
	At the beginning of the year	72,24,425	61.76	72,24,425	49.41
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): Bonus	--	--	18,06,106	12.35
	At the End of the year	--	--	90,30,531	61.76
2	Jyoti Almeida- Whole time Director				
	At the beginning of the year	2,32,783	1.99	2,32,783	1.59
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): bonus	--	--	58,195	0.40
	At the End of the year	--	--	2,90,978	1.99
3	Kiran Parashare - Whole time Director				
	At the beginning of the year	--	--	--	--



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	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): bonus	--	--	--	--
	At the End of the year	--	--	--	--
4	S. Swaminathan- CFO				
	At the beginning of the year	625	0.005	625	0.004
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): bonus	--	--	156	0.001
	At the End of the year	--	--	791	0.005
5	Sandeep Kutchhi- Company Secretary	--	--	--	--
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): bonus	--	--	--	--
	At the End of the year	--	--	--	--

Note : The shareholders were issued bonus shares in the ratio 1:4 on May 19, 2016 resulting in increase of number of shares.

### V. INDEBTEDNESS (Rs. In Lakhs)

#### Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits *	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil
<b>Change in Indebtedness during the financial year</b>				
Addition	Nil	Nil	Nil	Nil
Reduction	Nil	Nil	Nil	Nil
<b>Net Change Indebtedness At the end of the financial year</b>	Nil	Nil	Nil	Nil
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil

## G. M. BREWERIES LIMITED

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs. In Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Jimmy Almeida - CMD	Jyoti Almeida -WTD	Kiran Parashare - WTD	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	132.00	60.00	18.00	210.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	132.00	60.00	18.00	210.00
	Ceiling as per the Act				483.12 Lakhs

#### B. Remuneration to other directors: (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Paresh N. Trivedi	Dilip J. Diwan	Shantilal Haria	
1	Independent Directors Fee for attending Board/ Committee meetings	80,000	80,000	1,00,000	2,60,000
	Commission	Nil	Nil	Nil	Nil
	Others	Nil	Nil	Nil	Nil
	Total (1)	80,000	80,000	1,00,000	2,60,000
2	Other non Executive Directors				
	Fee for attending Board/ Committee meetings	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil
	Others	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil
	Total Managerial Remuneration (1+2)	80,000	80,000	1,00,000	2,60,000
	Ceiling as per the Act				483.12 Lakhs

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### C. . REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Rs. In Lakhs)

Sl.No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CFO	Company Secretary	
1	Gross salary	16.26	10.50	26.76
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (C)	16.26	10.50	26.76

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

Nil

## **G. M. BREWERIES LIMITED**

### **INDEPENDENT AUDITOR'S 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, 2017, the Statement of Profit and Loss, 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2017;
- (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, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (1) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
    - (2) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - (3) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - (4) The Company has provided disclosures in its financial statements as to holdings as well as dealings in specified bank notes during the period from 8th November, 2016 to 30th December, 2016 and the same are in accordance with books of accounts maintained by the company.

For V. P. Mehta & Co.  
Chartered Accountants  
Firm's registration number: 106326W

Vipul P. Mehta  
Proprietor  
Membership number: 035722

Mumbai  
April 06, 2017

## G. M. BREWERIES LIMITED

### Annexure ‘A’ to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31st, 2017:

Sr. No.	Particulars
(i)	<p>In Respect of its Fixed Assets:</p> <p>(a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;</p> <p>(b) These fixed assets have been physically verified by the management at reasonable intervals in accordance with regular programme of verification. According to the information and explanation given to us, no material discrepancies were noticed on such verification.</p> <p>(c) The title deeds of immovable properties are held in the name of the company.</p>
(ii)	<p>In Respect of its inventory:</p> <p>According to the information and explanations given to us, Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on physical verification during the year.</p>
(iii)	<p>According to information and explanations given to us , the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013.</p>
(iv)	<p>According to information and explanations given to us , the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.</p>
(v)	<p>According to information and explanations given to us the company has not accepted any deposits during the year.</p>
(vi)	<p>According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act'2013.</p>
(vii)	<p>According to the information and explanations given to us, in respect of statutory dues:</p> <p>(a) The company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.</p> <p>(b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues in arrears as at March 31,2017 for period of more than six months from the date they became payable.</p>
(viii)	<p>The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.</p>

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(ix)	The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
(x)	According to the information and explanations given to us, we have not noticed or reported any fraud by the company or any fraud on the Company by its officers or employees during the year
(xi)	The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act
(xii)	This clause of the CARO 2016 is not applicable to the Company as the company is not a Nidhi Company.
(xiii)	According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards
(xiv)	According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
(xv)	According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and the provisions of section 192 of Companies Act, 2013 have been complied with;
(xvi)	This clause of the CARO 2016 is not applicable to the Company as the company is not a required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For V. P. Mehta & Co.  
Chartered Accountants  
Firm's registration number: 106326W

Vipul P. Mehta  
Proprietor  
Membership number: 035722

Mumbai  
April 06, 2017

## **G. M. BREWERIES LIMITED**

### **ANNEXURE “B” TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF G. M. BREWERIES LIMITED**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of G.M.BREWERIES LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my /our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with



generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For V. P. Mehta & Co.  
Chartered Accountants  
Firm's Registration No.106326W

Vipul P.Mehta  
Proprietor  
Membership No. 035722

Mumbai  
April 06, 2017

## **G. M. BREWERIES LIMITED**

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

To 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 2016-17 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

S.Swaminathan  
Chief Financial Officer

Mumbai  
April 06, 2017

### **AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

#### ***To 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, 2017 stipulated in Chapter IV of SEBI( Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to 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 Chapter IV of SEBI( Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchanges.

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

Vipul. P. Mehta  
Proprietor  
Membership No: 035722

Mumbai  
April 06, 2017

### 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 prescribed by the Securities and Exchange Board of India (SEBI) in chapter IV read with schedule V of SEBI( Listing Obligations and Disclosure requirements) Regulations, 2015.

#### 2. BOARD OF DIRECTORS:

##### a) Composition, Category of Directors and their other directorship as on March 31, 2017.

Name of The Director	Category of Directorship	No. of Directorship in other public Limited/ Private Companies	No. of shares of held
Shri. Jimmy Almeida	Promoter - Executive (Chairman & Managing Director)	1	90,30,531
Smt. Jyoti J. Almeida	Promoter - Executive (Whole Time Director)	1	2,90,978
Shri. Kiran Y. Parashare	Executive (Non Independent Director)	Nil	Nil
Shri. Paresh N. Trivedi	Non- Executive (Independent Director)	Nil	10,936
Shri. Dilip J. Diwan	Non- Executive (Independent Director)	Nil	Nil
Shri. Shantilal V.Haria	Non- Executive (Independent Director)	1	Nil

Note: Shri. Jimmy Almeida, Smt. Jyoti Almeida and Shri. Kiran Parashare are related to each other

##### b) Number of Board Meetings

During the year ended March 31, 2017, Five Board Meetings were held on April 05, June 01, July 05, October 06, 2016, & January 05, 2017.

##### 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 J. Almeida	5	YES
Shri. Paresh N Trivedi	4	NO
Shri. Kiran Y. Parashare	5	YES
Shri. Dilip J. Diwan	4	YES
Shri. Shantilal V.Haria	5	YES

#### 3. COMMITTEES OF THE BOARD

##### a) Audit Committee

###### i) Terms of Reference:

Apart from all the matters provided in regulation 18 of SEBI( Listing obligations and disclosure requirements) Regulation, 2015 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.

###### ii) Composition:

The Audit committee presently consists of three independent directors, Shri. Dilip J. Diwan, Shri. Paresh N. Trivedi and shri. Shantilal V.Haria. Shri Dilip J. Diwan has been designated as chairman of the committee. The committee met 4 times during the financial year ended March 31, 2017. The attendance

## G. M. BREWERIES LIMITED

record of the members at the meeting were as follows

Name of The Member	Designation	No Meetings of Attended
Dilip J. Diwan	Chairman	4
Paresh N. Trivedi	Member	3
Shantilal V. Haria	Member	4

### b) Nomination & Remuneration Committee and policy:

The nomination & remuneration committee for nomination & remuneration of executive directors presently consists of three independent Directors viz. Shri. Dilip J. Diwan, Shri. Paresh N. Trivedi & Shri. Shantilal V. Haria. Shri. Dilip J. Diwan is the chairman.

Name of The Member	Designation
Dilip J. Diwan	Chairman
Paresh N. Trivedi	Member
Shantilal V. Haria	Member

The committee met 2 times during the financial year ended March 31, 2017. 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	2
Paresh N. Trivedi	Member	1
Shantilal V. Haria	Member	2

The details of remuneration for the year ended March 31, 2017 to the Executive Directors are as follows

Name	Designation	Remuneration
Jimmy Almeida	Chairman & Managing Director	132.00 Lakhs
Jyoti Almeida	Whole Time Executive Director	60.00 Lakhs
Kiran Parashare	Whole Time Executive Director	18.00 Lakhs

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

financial year 2016-17

### POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration. This Policy is accordingly derived from the said Charter.

#### Criteria of selection of Non Executive Directors

The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidate for appointment as Director.

- Qualification, expertise and experience of the Directors in their respective fields;
- Personal, Professional or business standing;
- Diversity of the Board.

In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

### Remuneration

A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;

**CEO & Managing Director - Criteria for selection / appointment**

For the purpose of selection of the CEO & MD, the N&R Committee shall identify persons of integrity who possesses relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

**Remuneration for the CEO & Managing Director**

At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013.

The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

The remuneration of the CEO & Managing Director comprises only of fixed component. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits.

**Remuneration Policy for the Senior Management Employees**

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the N&R Committee shall ensure the relationship of remuneration and performance benchmark is clear.

The Managing Director will carry out the individual per-

formance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.

### c) Stakeholders relationship Committee:

During the year 2016-17 the Stakeholders relationship committee that also acts as Share Transfer Committee met 21 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	21	21
Jyoti J. Almeida, Member	21	21
Paresh N. Trivedi, Member	21	21

During the year 2016-17, 16 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.

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

## G. M. BREWERIES LIMITED

The committee met 2 times during the financial year ended March 31, 2017. The attendance record of the members present at the meeting were as follows

Name of The Member	Designation	No Meetings of Attended
Paresh N. Trivedi	Chairman	1
Jyoti J. Almeida	Member	2
Kiran Y. Parashare	Member	2

### e) PERFORMANCE EVALUATION COMMITTEE

The company has formed a performance evaluation committee consisting of the following members.

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

The committee met 2 times during the financial year ended March 31, 2017. The attendance record of the members at the meeting were as follows

Name of The Member	Designation	No Meetings of Attended
Paresh N. Trivedi	Chairman	1
Dilip J. Diwan	Member	2
Jyoti J. Almeida	Member	2

Pursuant to the provisions of the Companies Act, 2013 and, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Appointment and Remuneration Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribu-

tion, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

### f) BUSINESS RISK EVALUATION/MANAGEMENT COMMITTEE

The company has formed a business risk evaluation/management committee consisting of the following members.

Name of The Member	Designation	No of Meetings Attended
Paresh N. Trivedi - Independent Director	Chairman	2
Paresh N. Trivedi - Independent Director	Chairman	2
Dilip J. Diwan- Independent Director	Member	2
Kiran Y. Parashare - Executive Director	Member	2
S. Swaminathan- C.F.O	Member	2
L.Lobo- G.M.Sales & Marketing	Member	2

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprises:

1. Oversight of risk management performed by the executive management;
2. Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;
3. Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;

4. Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
5. Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

**g) INDEPENDENT DIRECTORS MEETING:**

During the year under review, the Independent Directors met on October 06, 2016 and January 05, 2017, inter alia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors were present at the meeting.

**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](http://www.gmbreweries.com). The results are published in accordance with the guidelines of the Stock Exchanges.

(ii) In line with the exiting provisions of the Listing Agreement, the Company has created a separate e-mail address viz. [investors\\_complaints@gmbreweries.com](mailto: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	Time Venue
2015-16	19-05-2016	04.30 P.M.	Joshi's Kohinoor Hall, 3rd Flr, S. Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025.
2014-15	19-05-2015	04.30 P.M.	Joshi's Kohinoor Hall, 3rd Flr, S. Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025.
2013-14	06-05-2014	04.30 P.M.	Joshi's Kohinoor Hall, 3rd Flr, S.Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025.

**e. Postal Ballot:**

For the year ended March 31, 2017 there have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot.



## G. M. BREWERIES LIMITED

### 5. Additional shareholders information :

#### a) Annual General Meeting

**Date : May 18, 2017**

**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 2017-18, the tentative dates for declaration of Quarterly unaudited results will be by July 31, 2017, October 31, 2017, January 31, 2018 and April 30, 2018.

#### c) Book Closure:

The register of Members and share Transfer books of the company shall remain closed from May 12, 2017 to May 18, 2017 (both days inclusive) for payment of dividend .

#### 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, 2017 was as follows:

Month	High	Low
April 2016	1150.00	739.00
May 2016	763.00	588.00
June 2016	719.90	599.95
July 2016	689.00	511.00
August 2016	647.10	440.85
September 2016	670.00	549.40
October 2016	682.55	538.80
November 2016	592.70	430.00
December 2016	574.40	477.00
January 2017	524.00	455.00
February 2017	515.00	460.70
March 2017	498.00	464.00

#### 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, 2017 was as follows:

Month	High	Low
April 2016	1104.80	740.00
May 2016	762.90	595.00
June 2016	726.00	601.00
July 2016	687.30	513.10
August 2016	647.00	442.55
September 2016	670.00	530.10
October 2016	682.00	539.95
November 2016	594.00	425.20
December 2016	574.00	475.25
January 2017	524.90	464.00
February 2017	513.00	452.40
March 2017	495.15	463.00



**h) Distribution of shareholding as on March 31, 2017.**

Size of Holdings	No. of Share Holders	Percentage %	No. of Shares	Percentage %
Up to 100	9,189	62.91	3,18,453	2.18
101 to 200	2,618	17.92	4,02,535	2.75
201 to 500	1,619	11.09	5,42,807	3.71
501 to 1000	647	4.43	4,88,063	3.34
1001 to 5000	471	3.23	8,84,014	6.05
5001 to 10000	35	0.24	2,44,679	1.67
10001 to 100000	22	0.15	5,10,680	3.49
100001 to above	5	0.03	1,12,30,800	76.81
Total	14,606	100.00	1,46,22,031	100.00

**Share Holding Pattern:**

Sr. No.	Category	No. of Shares	% of Share holding
1.	Promoters	1,08,83,300	74.43
2.	Residential Individual	29,83,528	20.40
3.	Private Corporate Bodies	1,91,724	1.31
4.	Financial Institutions/ Banks and Mutual Funds	2,03,865	1.40
5.	Venture Capital Funds	-	-
6.	NRI's and OCB	2,14,328	1.47
7.	Clearing Member	1,45,286	0.99
	Total	1,46,22,031	100.00

**i) Shares held in physical and dematerialized form:**

As on March 31, 2017, 95.90 % 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 furnish their 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, 2017.

**(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 steady progress in the business of country liquor during the past five years.

## G. M. BREWERIES LIMITED

Even though not much official statistics are available about the production of country liquor by various manufacturers, the data gathered from The State Excise Department shows that the company contributes about 25 to 30 % 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, Thane and Palghar. 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 46.56 % has been utilized last year. The company is taking all possible steps to utilize the surplus capacity by extending its business to 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 has gained wide acceptance from the consumers. However, during the last year the company faced the problem of sudden spurt in the prices of PET bottles due to increase in petroleum prices in the international market and fluctuation in exchange rates. During the year under review about 55.98% of the company's total sale consisted of PET bottles.

The government of Maharashtra through a notification has banned use of PET bottles for filling alcoholic liquor with effect from April 01, 2016. Various trade bodies of the industry have filed writ petitions in the Hon. Bombay High Court challenging the legality of the notification. The Hon. Bombay High Court has admitted the writ petitions and granted interim stay in the matter. As Company's all bottling lines have been designed to handle both glass and PET bottles final outcome in the matter will not have any impact on the manufacturing operations of the company.

The Hon. Supreme Court of India has banned all liquor outlets within distance of 500 meters on both sides of the notified highways with effect from April 01, 2017. As a result of the order many liquor outlets (including country liquor) may be forced to close down and this in turn may affect the general business outlook of the company in the next financial year.

As a part of its endeavour to conserve nation's precious natural resources, by minimizing the use of power generated from conventional sources, the company has installed and commissioned a solar power plant of 500KWp capacity with net metering facility during the previous year. Apart from tax benefits this will result in substantial reduction in the cost of power consumed. However, the actual reduction in

cost could be arrived at only after the plant functions in optimal capacity for a whole financial year.

**(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 transaction 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 commendable under the given circumstances. Even though the company could marginally achieve growth in terms of sales, the profitability dropped by almost 25% mainly due to very high price levels of Raw materials and packing materials throughout the year.

**(F) CORPORATE SOCIAL RESPONSIBILITY.**

The company has fully complied with the mandatory norms prescribed for contributions towards corporate social responsibility.

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

As on March 31, 2017 the company had 159 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 rent free 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.

## G. M. BREWERIES LIMITED

### BALANCE SHEET AS AT March 31, 2017

PARTICULARS	Note No.	Figures as at the end of current reporting period 31.03.2017	(Rs. in Lacs) Figures as at the end of previous reporting period 31.03.2016
<b>I. EQUITY AND LIABILITIES</b>			
1 Shareholders Funds			
a) Share Capital	A	1,463.05	1,170.61
b) Reserves & Surplus	B	20,498.34	16,927.65
		21,961.39	18,098.26
2 Non-Current Liabilities			
a) Long-term Borrowings		-	-
b) Deferred tax liabilities		492.60	450.16
		492.60	450.16
3 Current Liabilities			
a) Short-term Borrowings		-	-
b) Trade Payables		480.77	374.91
c) Other current liabilities	C	4,510.39	3,827.94
d) Short-term provisions	D	527.98	351.98
		5,519.14	4,554.83
TOTAL		27,973.13	23,103.25
<b>II. ASSETS</b>			
1 Non-Current assets			
a) Fixed Assets			
(i) Tangible assets	E	7,643.83	7,864.34
(ii) Intangible assets	E	3.19	0.05
(iii) Capital work-in-progress		338.62	211.68
b) Non-Current investments	F	13,930.12	8,818.34
c) Long-term loans and advances	G	285.61	137.04
		22,201.37	17,031.45
2 Current Assets			
a) Inventories	H	1,070.08	1,305.13
b) Trade Receivables	I	45.08	23.37
c) Cash and cash equivalents	J	3,069.01	3,405.08
d) Short-term Loans and Advances	K	757.30	707.32
e) Other current assets		830.29	630.90
		5,771.76	6,071.80
TOTAL		27,973.13	23,103.25

Notes forming part of the Accounts Standard Accounting Policy A to R  
1

Additional Notes forming part of accounts 2 (1 to 17)

As per our report of even date attached for V. P. Mehta & Co.	Chairman & Managing Director	Jimmy Almeida
Chartered Accountants	Wholetime Director	Jyoti Almeida
Firm Registration No. 106326W	Wholetime Director	Kiran Parashare
Vipul P. Mehta	Chief Financial Officer	S. Swaminathan
Proprietor	Company Secretary & Manager Accounts	Sandeep Kutchhi
Membership No. 035722		

Mumbai, April 06, 2017

Mumbai, April 06, 2017

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### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

PARTICULARS	Note No.	Figures as at the end of current reporting period 31.03.2017	Figures as at the end of previous reporting period 31.03.2016
I. Revenue from Operations	L	37,521.16	35,957.45
II. Other Income	M	395.87	614.69
III. Total Revenue (I+II)		37,917.03	36,572.14
IV. Expenses			
Cost of Material Consumed	N	26,702.69	23,311.91
Purchase of stock-in-Trade			
Changes in inventories of finished goods- work-in-progress and stock-in-trade	O	205.50	(187.12)
Employee benefits expenses	P	913.31	873.62
Finance Costs	Q	21.17	204.96
Depreciation & amortisation expenses	E	532.63	541.32
Other Expenses	R	2,808.18	3,384.71
Total Expenses		31,183.48	28,129.40
V. Profit before exceptional and extraordinary items and tax (III-IV)		6,733.55	8,442.74
VI. Exceptional Items		-	336.46
VII. Profit before extraordinary items and tax (V-VI)		6,733.55	8,779.20
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII-VIII)		6,733.55	8,779.20
X. Tax Expense:			
(1) Current Tax		2,300.00	2,960.00
(2) Deferred Tax		42.44	(11.85)
XI. Profit/(Loss) for the period from continuing operations (IX-X)		4,391.11	5,831.05
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)		4,391.11	5,831.05
Profit available for Appropriation		4,391.11	5,831.05
Earning per share Basic & Diluted		30.04	49.85
Notes forming part of the Accounts	A to R		
Standard Accounting Policies	1		
Additional Notes forming part of accounts	2 (1 to 17)		
As per our report of even date attached for V. P. Mehta & Co. Chartered Accountants Firm Registration No. 106326W	Chairman & Managing Director		Jimmy Almeida
	Wholetime Director		Jyoti Almeida
	Wholetime Director		Kiran Parashare
Vipul P. Mehta Proprietor Membership No. 035722	Chief Financial Officer		S. Swaminathan
	Company Secretary & Manager Accounts		Sandeep Kutchhi
Mumbai, April 06, 2017			Mumbai, April 06, 2017

## G. M. BREWERIES LIMITED

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

	(Rs.in Laacs)	
<b>Note A - Share Capital</b>	Current Year March 31, 2017	Previous Year March 31, 2016
Authorised :		
6,00,00,000 Equity Shares of Rs.10/- each	6,000.00	6,000.00
1,00,00,000 Unclassified Shares of Rs.10/- each	1,000.00	1,000.00
	7,000.00	7,000.00
Issued, Subscribed and Paid-up :		
1,46,22,031 Equity Shares of Rs.10/- each fully paid	1,462.20	1,169.76
(1,16,97,625 Equity Shares of Rs.10/- each fully paid)		
Add : Shares forfeited	0.85	0.85
	1,463.05	1,170.61

- 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 C.Y.	No. of Shares Held P.Y.
Shri.Jimmy Almeida	9,030,531	7,224,425
Almeida Holdings Private Limited	1,561,791	1,249,434

- 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 in C.Y.	No of Shares in P.Y.
Aggregate number and class of shares allotted as fully paidup pursuant to contract(s) without payment being received in cash	Nil	Nil
Aggregate number and class of shares allotted as fully paidup by way of bonus shares.	2,924,406	Nil
Aggregate number and class of shares bought back	Nil	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 March 31, 2017	Previous Year Ended March 31, 2016
a) Securities Premium Reserve		
As per Last Balance Sheet	118.00	118.00
Less : Capitalised during the year in the form of bonus issue	118.00	-
	<u>-</u>	<u>118.00</u>
b) Other Reserves		
General Reserve		
As per Last Balance Sheet	5,939.00	5,639.00
Add : Transfer from Profit and Loss Account	300.00	300.00
Balance	<u>6,239.00</u>	<u>5,939.00</u>
c) Surplus :		
As per Last Balance Sheet	10,870.65	5,691.58
Add : Surplus for the current year	4,391.11	5,831.05
	<u>15,261.76</u>	<u>11,522.63</u>
Less: Transferred to General Reserve	300.00	300.00
Proposed Dividend	438.66	292.44
Tax on Dividend	89.32	59.54
Capitalised during the year	174.44	-
	<u>1,002.42</u>	<u>651.98</u>
Balance	<u>14,259.34</u>	<u>10,870.65</u>
Gross Total	<u>20,498.34</u>	<u>16,927.65</u>

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

### NOTE C - Other Current Liabilities

(Rs. in Lacs)

Particulars	Current Year Ended March 31, 2017	Previous Year Ended March 31, 2016
a) current maturities of longterm debts	-	-
b) Unpaid Dividends	40.05	39.18
c) Other payables		
Creditors for Expenses / Assets	54.77	101.41
Statutory Liability	4,187.59	3,502.88
Advance received from Customers & others	227.98	184.47
	<u>4,510.39</u>	<u>3,827.94</u>

### NOTE D - Short-term Provisions

(Rs. in Lacs)

Particulars	Current Year Ended March 31, 2017	Previous Year Ended March 31, 2016
a) Provision for employees benefit		
b) Others		
Proposed Dividend	438.66	292.44
Tax on Dividend	89.32	59.54
	<u>527.98</u>	<u>351.98</u>

## G. M. BREWERIES LIMITED

### NOTE E : Fixed Assets

(Rs. in lacs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01/04/2016	ADDI- TIONS	DEDUC TIONS	AS AT 31/03/17	AS AT 01/04/16	FOR THE YEAR	WRITTEN BACK	AS AT 31/03/17	AS AT 31/03/17	AS AT 31/03/16
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	3,724.10	-	-	3,724.10	1,208.39	117.85	-	1,326.24	2,397.86	2,515.71
Building at Wada	728.98	-	-	728.98	336.70	23.04	-	359.74	369.24	392.28
Godown	75.25	-	-	75.25	34.88	2.38	-	37.26	37.99	40.37
Residential & Commercial Premises	1,582.64	-	17.25	1,565.39	83.43	25.80	-	109.23	1,456.16	1,499.21
Plant & Machinery	4,893.07	273.33	-	5,166.40	2,456.44	300.18	-	2,756.62	2,409.78	2,436.63
Electric Fittings	85.82	-	-	85.82	85.82	-	-	85.82	-	-
Computers	117.66	1.41	-	119.07	109.09	1.68	-	110.77	8.30	8.57
Office equipments	69.72	6.85	-	76.57	66.95	3.68	-	70.63	5.94	2.77
Furniture & Fixtures	101.20	5.62	-	106.82	89.81	6.75	-	96.56	10.26	11.39
Vehicle	669.61	42.07	-	711.68	503.83	51.18	-	555.01	156.67	165.78
<b>Total Tangible assets (a)</b>	<b>12,839.68</b>	<b>329.28</b>	<b>17.25</b>	<b>13,151.71</b>	<b>4,975.34</b>	<b>532.54</b>	<b>-</b>	<b>5,507.88</b>	<b>7,643.83</b>	<b>7,864.34</b>
Intangible Assets										
Brand Development	42.15	-	-	42.15	42.15	-	-	42.15	-	-
Software	10.92	3.23	-	14.15	10.87	0.09	-	10.96	3.19	0.05
<b>Total intangible assets (b)</b>	<b>53.07</b>	<b>3.23</b>	<b>-</b>	<b>56.30</b>	<b>53.02</b>	<b>0.09</b>	<b>-</b>	<b>53.11</b>	<b>3.19</b>	<b>0.05</b>
<b>Total (a+b)</b>	<b>12,892.75</b>	<b>332.51</b>	<b>17.25</b>	<b>13,208.01</b>	<b>5,028.36</b>	<b>532.63</b>	<b>-</b>	<b>5,560.99</b>	<b>7,647.02</b>	<b>7,864.39</b>
Previous Period	13,079.73	88.19	275.17	12,892.75	4,487.04	541.32	-	5,028.36	7,864.39	8,592.69

### NOTE F - Non-current Investments

(Rs. in Lacs)

Particulars	Current Year Ended March 31, 2017	Previous Year Ended March 31, 2016
Trade Investments		
Other Investments		
a) Investment in Government or Trust Securities	-	-
b) Investment in Land	972.63	741.60
c) Investment in Property	8,320.44	8,076.74
d) Investments in mutual funds	844.00	-
e) Other non current investment - Tax free Bonds	3,793.05	-
	<u>13,930.12</u>	<u>8,818.34</u>
Aggregate amount of unquoted investments	-	-

### NOTE G - Long Term Loans and Advances

(Rs. in Lacs)

Particulars	Current Year Ended March 31, 2017	Previous Year Ended March 31, 2016
Secured		
a) Capital Advances	175.70	81.06
b) Security Deposits	13.75	13.75
c) Other Loans & Advances		
Advance Income Tax (Net)	96.16	42.23
	<u>285.61</u>	<u>137.04</u>



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### NOTE H - Inventories

(Rs. in Lacs)

Particulars	Current Year Ended March 31, 2017	Previous Year Ended March 31, 2016
(Stock-in-trade as per Inventories taken Valued & Certified by the Management)		
a) Raw Material & Packing Materials	569.15	617.68
b) Stock in Process ( Work in Progress)	452.91	381.28
c) Stock of Finished Goods	3.46	280.59
d) Stock of Stores & Spares	44.56	25.58
	1,070.08	1,305.13

(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 I - Trade Receivables

(Rs. in Lacs)

Particulars	Current Year Ended March 31, 2017	Previous Year Ended March 31, 2016
(Unsecured, considered good)		
Debts outstanding for a period exceeding six Months)	-	-
Other Debts	45.08	23.37
	45.08	23.37

### NOTE J - Cash & Cash Equivalents

(Rs. in Lacs)

Particulars	Current Year Ended March 31, 2017	Previous Year Ended March 31, 2016
a) Balances with Banks		
i) In Current Accounts	5.82	166.78
ii) In Unpaid Dividend Account	39.81	38.94
iii) In Fixed Deposits (Maturities more than 12 months)	3,010.74	3,188.62
b) Cash-on-hand	12.64	10.74
	3,069.01	3,405.08

### NOTE K - Short term Loans & Advances

(Rs. in Lacs)

Particulars	Current Year Ended March 31, 2017	Previous Year Ended March 31, 2016
a) Others		
Prepaid Expenses	577.25	689.30
Staff Advance	15.71	17.27
Advances for expenses	1.92	0.75
Advances for rawmaterials	162.42	-
	757.30	707.32

## G. M. BREWERIES LIMITED

### NOTE L: Revenue from Operations

(Rs. in Lacs)

Particulars	Current Year Ended March 31, 2017	Previous Year Ended March 31, 2016
a) Sale of Products	135,665.07	125,803.83
	<u>135,665.07</u>	<u>125,803.83</u>
Less: State Excise Duty	60,897.52	56,796.15
MVAT ( Net of Setoff)	37,246.39	33,050.23
	<u>37,521.16</u>	<u>35,957.45</u>

### NOTE M: Other Income

(Rs. in Lacs)

Particulars	Current Year Ended March 31, 2017	Previous Year Ended March 31, 2016
a) Interest Income	288.89	194.56
b) Dividend Income	38.55	0.06
c) Net gain on sale of Investment / Assets	43.75	335.83
d) Other non Operating Income	24.68	84.24
	<u>395.87</u>	<u>614.69</u>

### NOTE N - Cost of Materials Consumed

(Rs. in Lacs)

Particulars	Current Year Ended March 31, 2017	Previous Year Ended March 31, 2016
Raw Materials Consumed - Rectified Spirit		
Opening Stock	131.20	658.11
Add : Purchases	15,078.92	12,082.42
	<u>15,210.12</u>	<u>12,740.53</u>
Less : Closing Stock	100.69	131.20
	<u>15,109.43</u>	<u>12,609.33</u>
Packing and Other Materials Consumed		
Opening Stock	486.48	658.09
Add : Purchases	11,575.24	10,530.97
	<u>12,061.72</u>	<u>11,189.06</u>
Less : Closing Stock	468.46	486.48
	<u>11,593.26</u>	<u>10,702.58</u>
Gross	<u>26,702.69</u>	<u>23,311.91</u>

### NOTE O: Changes in inventories of finished goods

#### Work-In-Progress & Stock in Trade

(Rs. in Lacs)

Particulars	Current Year Ended March 31, 2017	Previous Year Ended March 31, 2016
Opening Stock		
Finished Goods	280.59	108.19
Work-in-process	381.28	366.56
	<u>661.87</u>	<u>474.75</u>
Less : Closing Stock		
Finished Goods	3.46	280.59
Work-in-process	452.91	381.28
	<u>456.37</u>	<u>661.87</u>
	<u>205.50</u>	<u>(187.12)</u>

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### NOTE P - Employee benefit Expenses

(Rs. in Lacs)

Particulars	Current Year Ended March 31, 2017	Previous Year Ended March 31, 2016
Salaries & Wages	760.53	722.19
Bonus to Staff & Workers	19.10	27.79
Contribution to Provident & other Funds	31.76	29.94
Employees Welfare	101.92	93.70
	913.31	873.62

### NOTE Q - Finance Costs

(Rs. in Lacs)

Particulars	Current Year Ended March 31, 2017	Previous Year Ended March 31, 2016
Interest on Term Loan	-	187.26
Interest on Overdraft	20.40	17.18
Bank Charges	0.77	0.52
	21.17	204.96

### NOTE R- Other Expenses

(Rs. in Lacs)

Particulars	Current Year Ended March 31, 2017	Previous Year Ended March 31, 2016
Stores & Spares Consumed	33.05	134.91
Repairs & Maintenance		
- Plant & Machinery	37.32	70.11
- Building	106.72	207.76
- Others	155.23	163.50
Excise Supervision Charges	19.26	14.40
Power & Fuel	100.62	135.62
Rent, Rates & Taxes	235.76	242.32
LBT Charges	359.54	1,021.93
Licence Fees	644.38	121.47
Legal and Professional Charges	98.55	81.27
Legal Expenses	12.92	12.42
Postage, Telephone and Telegram Expenses	9.85	8.87
Printing & Stationery	9.05	11.35
Insurance	48.62	49.18
Directors Remuneration	212.60	194.80
Travelling & Conveyance	16.03	12.91
Donation	206.14	261.87
Vehicle Expenses	330.62	316.36
Sales Promotion, Advertisement and Publicity	1.33	96.56
CSR expenses	99.67	48.60
Auditors Remuneration		
- Audit Fees	5.73	5.73
- Tax Audit Fees	5.73	5.73
- Taxation Matters	5.73	5.73
- Other Matters	3.51	3.42
Miscellaneous Expenses	50.22	157.89
	2,808.18	3,384.71

## G. M. BREWERIES LIMITED

### ADDITIONAL NOTES ON ACCOUNTS

#### Accounting Policies and Notes forming part of accounts for the year ended March 31, 2017

#### 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 129 & 133 of the Companies Act, 2013, 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 commencement of operation and Interest up to the date of commencement of commercial production.

##### Depreciation:

Depreciation has been provided based on useful life assigned to each asset in accordance with Schedule II of the Companies Act, 2013.

##### 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.

#### (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.16

**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 Accounting 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.

**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.

**Contingent liabilities:**

All known Liabilities, wherever material, are provided for and Liabilities, which are disputed, are referred to by way of Notes on Accounts.

**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.

## G. M. BREWERIES LIMITED

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 2012-13. The Company has also filed the audit report as required under the MVAT Act up to the financial year 2015-16.

During the audit process for the financial year 2011-12 the MVAT department has raised a demand of Rs.8,24,42,800/- due to levy of tax on an inflated turnover arrived at on a presumptive basis. Legal experts have opined that the action of the MVAT department is devoid of authority and jurisdiction and the demand is certain to be quashed by the appellate authority. The company has filed an appeal challenging the demand notice and the demand has been stayed in toto. However, whatever liability that may arise out of the final outcome of the appeal will be met by the company out of its reserves.

For the year 2012-13 the audit process has been conducted by the MVAT department as in the earlier years and there has been no additional demand raised under the audit process.

The company's Income Tax assessment has been completed up to assessment year 2014-15 and the demands raised by the department has already been paid by the company.

### 3. Contingent liabilities

Sr. No.	Particulars	Current Year	Previous year
1	MVAT demand for the year 2011-12,	Rs.8,24,42,800/- under appeal	Nil

### 4. Disclosure regarding pursuant to circular no G.S.R.308(E) dated March 30, 2017.

Details of specified bank notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 is provided in the table below:-

	SBN's	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	44,15,000	2,59,784	46,74,784
(+) Permitted Receipts	Nil	Nil	Nil
(-) Permitted Payments	Nil	2,59,784	2,59,784
(-) Amount deposited in banks	44,15,000	Nil	44,15,000
Closing cash in hand as on 30.12.2016	Nil	Nil	Nil

The information given in above table relates only for cash balance available as on closing hours of November 08, 2016. The subsequent transactions on account of cash sales, withdrawal from banks, deposits into banks are not considered for the above. The balance amount of " Other notes " as on November 08, 2016 was utilized to meet day to day expenses of the company.

### 5. Capital Contracts

Estimated amount of contracts remaining to be Executed on capital accounts and not provided for	2016-2017	2015-2016
	Nil	Nil

**6. 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.

**7. Remuneration to Directors**

		(Rs. in Lacs)
Remuneration of Directors	2016-2017	2015-2016
Salary	210.00	192.00

**8.** 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.

**9.** The Company has called for complete intimation from all the vendors regarding their status as small-scale/ micro industrial undertaking. Based on information received regarding the status of the vendors there are no amounts outstanding for more than Rs.1,00,000/- for more than 30 days.

**10.** 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	
	2,86,34,838	15109.43
Rectified & Natural Spirit	BL (2,85,04,649)	(12,609.33)

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 consumption	2016-2017	2015-2016
		Value (Rs. In Lacs)	Value (Rs. In Lacs)
i) Imported	0	----	----
ii) Indigenous	100	26,941.24	23,259.70

(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	<b>(1,10,16,000)</b>	--	--	--
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			
		<b>Total 13,75,92,000*</b>	<b>6,40,67,484</b>	<b>6,47,43,131</b>	<b>1,35,665.07</b>
		13,75,92,000	(6,35,00,576)	(6,31,01,857)	(1,25,803.83)

\* As certified by the management.

## G. M. BREWERIES LIMITED

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

	Unit	Opening Stock		Closing Stock	
		Quantity	Value	Quantity	Value (Rs. In Lacs)
Indian Made	BL	---	---	---	---
Foreign Liquor		(---)	(---)	(---)	(---)
Country Liquor	BL	6,84,849	280.59	9,202	3.46
		(2,86,130)	(108.19)	(6,84,849)	(280.59)

### 11. Related Party Disclosures

(a) List of Related Parties

i) Key Management Personnel

- Jimmy Almeida - Chairman & Managing Director
- Jyoti Almeida - Whole Time Director
- Kiran Parashare - Whole Time Director
- S.Swaminathan - Chief Financial Officer
- Sandeep Kutchhi - Company Secretary & Manager Accounts

(b) Details of transactions

Nature of Transaction	Key Management Personnel (Rs.in Lacs)
Rent Paid to Director	183.56
Remuneration to Directors	210.00
Remuneration to other KMPs	26.76
Outstanding	Nil
Trade Receivables	Nil

### 12. Earning per share

(Rs. in Lacs)

Particulars	2016-2017	2015-2016
Net profit after tax before adjustment of Income Taxes of earlier year	4391.11	5,831.05
Weighted Average Number of Equity Shares (No's)	1,46,22,031	1,16,97,625
Earning Per Share before adjustment of Income Tax of earlier years (Rs.)	30.04	49.85

13. During the year company has created deferred tax liability of Rs.42.44 Lakhs on account of different rates of depreciation as per Income Tax Act, 1961 & depreciation debited in the books of accounts as per the Company's act 2013.

### 14. 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.

### 15. Auditors Remuneration:

(Rs. in Lacs)

Sr. No.	Particulars	Current Year	Previous Year
1	Audit Fees	5.73	5.73
2	Tax Audit	5.73	5.73
3	Taxation Matters	5.73	5.73
4	Other Matters	3.51	3.42
	Total	20.70	20.61



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### 16. Employees Benefits:

The company has made provisions in the accounts for gratuity base on actuarial valuation. The particulars under the As 15 (revised) furnished below are those which are relevant and available to company for this year.

<b>GRATUITY</b>		
POLICY NO	610149	706000365
<b>I ASSUMPTION AS AT</b>	<b>31.03.2017</b>	<b>31.03.2017</b>
MORTALITY RATE	LIC(2006-08)	LIC(2006-08)
DISCOUNT RATE	8%	8%
WITHDRAWAL RATE	1% TO 3%	1% TO 3%
SALARY ESCALATION	4%	4%
VALUATION METHOD	PROJECTED UNIT CREDIT METHOD	
<b>PERIOD OF ACCOUNTING</b>	<b>1.04.2016 TO</b>	<b>31.03.2017</b>
<b>II DATA INFORMATION</b>	<b>ON 31.03.2017</b>	<b>31.03.2017</b>
NUMBER OF MEMBERS	129	30
AVERAGE AGE	44.01	38.93
AVERAGE MONTHLY SALARY	8215.50	7505.00
AVERAGE PAST SERVICES	19.16	4.97
<b>III RESULTS OF VALUATION</b>	<b>ON 31.03.2017</b>	<b>31.03.2017</b>
(a) PV OF PAST SERVICE BENEFIT	85,75,351	3,68,043
(b) CURRENT SERVICE COST	3,64,404	72,493
(c) TOTAL SERVICE GRATUITY	2,01,30,130	31,38,926
(d) ACCRUED GRATUITY	1,19,35,499	6,47,473
(e) LCSA	81,94,631	24,91,453
(f) LC PREMIUM	27,950	5,600
(g) SERVICE TAX @15%	4,193	840
<b>IV RECOMMENDED CONTRIBUTION RATE</b>		
(a) FUND VALUE AS ON RENEWAL DATE	98,89,735	4,73,353
(b) ADDITIONAL CONTRIBUTION FOR EXISTING FUND	0	0
(c) CURRENT SERVICE COST	0	0
<b>V ACTUAL (GAIN)/ LOSS ON OBLIGATION/</b>		
TOTAL AMOUNT CHARGED TO P&L		
(III(F) +III(G) +IV(B)+IV(C) )	32,143	6,440

The company has paid an amount of Rs.38,583/- to LIC towards both the above policies.

17. The figures of the previous years have been regrouped / rearranged wherever necessary. The Figures or the previous years are given in brackets. The company has compiled the above accounts based on the revised/ Modified schedule III applicable for the accounting period 2016-2017. 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 & Co.  
Chartered Accountants  
Firm Registration No. 106326W

Vipul P. Mehta  
Proprietor  
Membership No. 035722

Chairman & Managing Director

Wholetime Director

Wholetime Director

Chief Financial Officer

Company Secretary & Manager Accounts

Jimmy Almeida

Jyoti Almeida

Kiran Parashare

S. Swaminathan

Sandeep Kutchhi

Mumbai, April 06, 2017

Mumbai, April 06, 2017

## G. M. BREWERIES LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

Particulars	Current Year 2017	Previous Year 2016
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before tax	6,733.55	8,779.20
Adjustments for :		
Depreciation	532.63	541.32
Interest	21.17	204.96
Indirect Taxes	98,143.91	89,846.38
Dividend Received	(38.55)	(0.06)
Interest Received	(288.89)	(194.56)
Other Non-Operating Income	(68.43)	(420.07)
Operating Profit before Working Capital Changes	105,035.39	98,757.17
Adjustments for :		
(Increase)/Decrease in Trade and Other Receivables	(271.08)	(233.73)
(Increase)/Decrease in Inventories	235.05	588.98
Increase/(Decrease) in Trade Payables	833.23	(382.37)
Cash generated from Operations	105,832.59	98,730.05
Direct Taxes Paid	2,362.76	2,898.00
Indirect Taxes Paid	98,477.84	89,845.93
<b>Net Cash from Operating Activities</b>	<b>4,991.99</b>	<b>5,986.12</b>
<b>B. Cash Flow from Investing Activities</b>		
Increase/(Decrease) in Fixed Assets	(90.43)	52.17
Increase in Investments	(5,260.35)	(1,030.91)
Interest Received	288.89	194.56
Dividend Received	38.55	0.06
Other Non-Operating Income	68.43	420.07
<b>Net Cash (used in)/from Investing activities</b>	<b>(4,954.91)</b>	<b>(364.05)</b>
<b>C. Cash Flow from Financing Activities</b>		
Increase/(Decrease) in Long Term Borrowings	-	(1,916.98)
Increase/(Decrease) in Short Term Borrowings	-	(707.28)
Interest Paid	(21.17)	(204.96)
Dividend Paid	(292.44)	(292.44)
Tax on distributed profits	(59.54)	(59.54)
<b>Net Cash (used in)/from Financing activities</b>	<b>(373.15)</b>	<b>(3,181.20)</b>
<b>D. Net Changes in Cash and Cash Equivalents (A+B+C)</b>	<b>(336.07)</b>	<b>2,440.87</b>
<b>E. Cash and Cash Equivalents at beginning of the Period</b>	<b>3,405.08</b>	<b>964.21</b>
<b>F. Cash and Cash Equivalents at End of the Period</b>	<b>3,069.01</b>	<b>3,405.08</b>

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

Vipul P. Mehta  
Proprietor  
Membership No. 035722

Chairman & Managing Director

Wholetime Director

Wholetime Director

Chief Financial Officer

Company Secretary & Manager Accounts

Jimmy Almeida

Jyoti Almeida

Kiran Parashare

S. Swaminathan

Sandeep Kutchhi

Mumbai, April 06, 2017

Mumbai, April 06, 2017

## FINANCIAL HIGHLIGHTS FOR THE PAST 15 YEARS

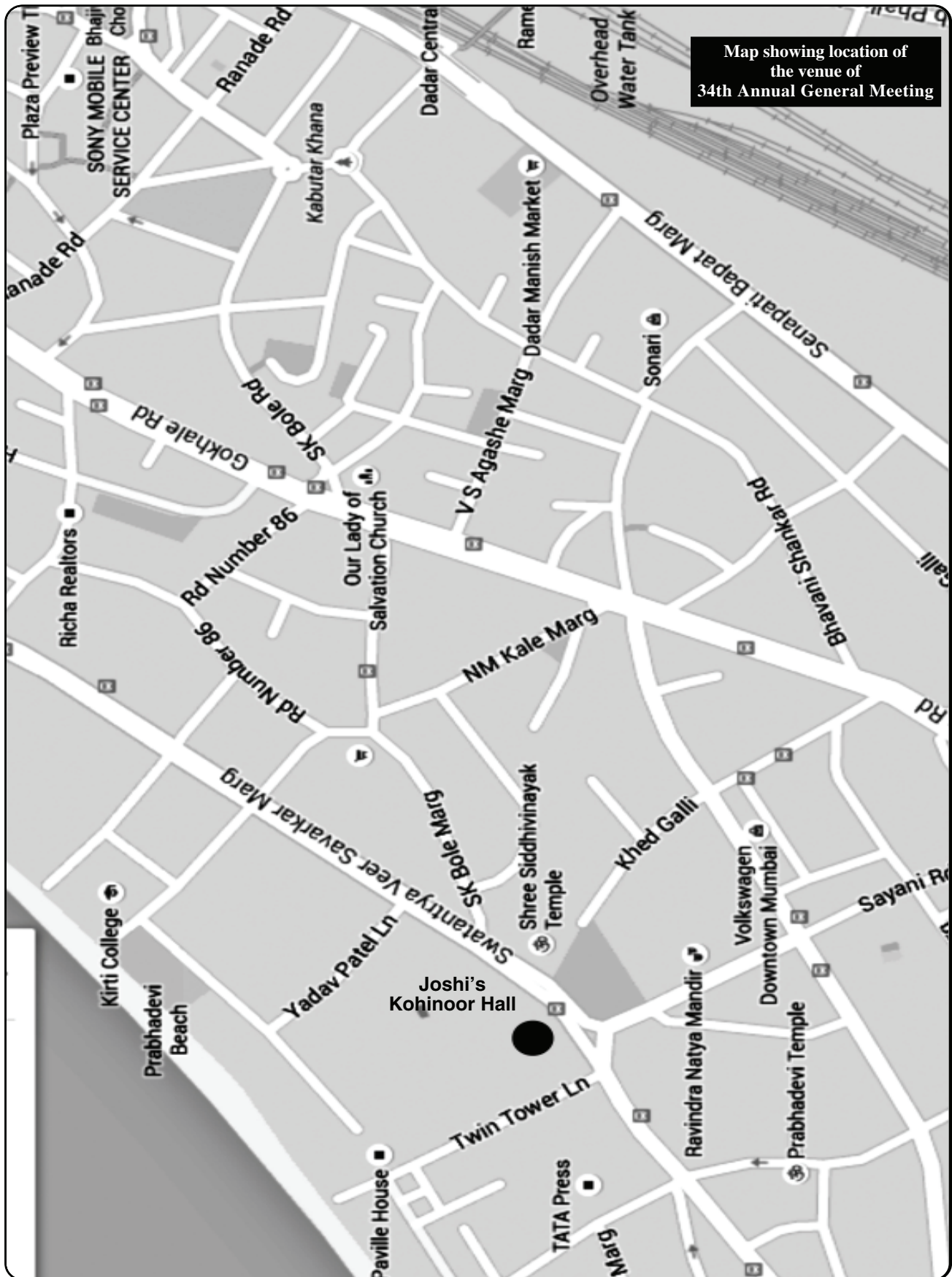
(Rs. in Lacs)

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 (%)
2017	1463.05	20498.34	21961.39	Nil	5519.14	824.43	5519.14	13208.01	5771.76	60897.52	37246.39	98143.91	21.17	135665.07	6733.55	2342.44	4391.11	30*
2016	1170.61	16927.65	18098.28	Nil	4554.83	Nil	4554.83	12892.75	6071.80	56796.15	33050.23	89846.38	204.96	125803.83	8779.20	2948.15	5831.05	25
2015	1170.61	11448.58	12619.19	3204.42	4289.04	Nil	7493.46	13079.73	3986.18	51920.38	20902.34	72822.72	357.09	103556.47	2845.91	982.53	1863.38	25
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

\* Proposed

Note : Regrouping has been done wherever required to make comparison with the previous year figures.

# G. M. BREWERIES LIMITED



**NOTES**

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**G. M. BREWERIES LIMITED**

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## **G. M. BREWERIES LIMITED**

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

### **PROXY FORM**

*34th Annual General Meeting - May 18, 2017*

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 Thursday, May 18, 2017 and at any  
adjournment there of.

Signed on this \_\_\_\_\_ day of \_\_\_\_\_ 2017

**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**

*34th Annual General Meeting - May 18, 2017*

I hereby record my presence at the **THIRTY FOURTH ANNUAL GENERAL MEETING** of the Company  
held at **Joshi's Kohinoor Hall, 3rd Floor, S. Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025.** on  
Thursday, May 18, 2017 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 \_\_\_\_\_

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.*