



G. M. BREWERIES LIMITED

27th Annual Report 2009-2010

G. M. BREWERIES LIMITED

BOARD OF DIRECTORS

Shri. Jimmy William Almeida	- <i>Chairman & Managing Director</i>
Smt. Jyoti Jimmy Almeida	- <i>Whole-Time Director</i>
Shri. John William Almeida	- <i>Whole-Time Director</i>
Smt. Celina William Almeida	- <i>Director</i>
Shri. Mukund Govind Diwan	- <i>Director</i>
Shri. Ashwin Pranlal Mehta	- <i>Director</i>
Shri. Paresh Nanubhai Trivedi	- <i>Director</i>

Auditors

M/s. V. P. Mehta & Company
Chartered Accountants

Bankers

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

Central Bank of India
Prabhadevi, Mumbai - 400 025

IDBI Bank
Prabhadevi, Mumbai - 400 025

Regd. Office

Ganesh Niwas, S. Veer Savarkar Marg,
Prabhadevi, Mumbai - 400 025
Phone : 24331150 / 51 / 24371805 / 41,
24367005 / 24385540 / 41
Telefax : 24331150 / 51
E-mail : gmbreweries@gmail.com

Factory

S. Veer Savarkar Marg, Virar (East),
Dist. Thane - 401305 State : Maharashtra (India)
Phone : 0250 - 2528728, 2528793, 2529127

Share Transfer Agent

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

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NOTICE

Notice is hereby given that the 27th Annual General Meeting of the Members of **G.M. Breweries Limited** will be held at **Joshi's Kohinoor Hall, 3rd Floor, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025 on Thursday the 6th of May, 2010 at 11.30 a.m.** to transact the following business :

Ordinary Business:

- 1) To receive, consider and adopt the Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended on that date, the Reports of Directors and Auditor's thereon.
- 2) To declare dividend on the equity shares.
- 3) To appoint a Director in place of Shri. John William Almeida, who retires by rotation and being eligible, offers him self for re- appointment.
- 4) To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business:

- 5) To consider and, if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**
 1. "RESOLVED THAT pursuant to the provision of sections 198, 269, 309, 310 Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such sanctions as may be necessary, approval and sanction of the company be and is hereby accorded to the appointment of and payment of remuneration to Smt. Jyoti Jimmy Almeida as Whole Time Director of the Company for a period of 5 years with effect from April 1, 2010 upon the terms and conditions and payment of remuneration and other perquisites/benefits to Smt. Jyoti Jimmy Almeida during the said period of 5 years as set out in the copy of agreement, copy whereof duly initialed by the Chairman for the purpose of identification is placed before this meeting including, inter alia, payment and provision of the following remuneration, perquisites and benefits :
 - a) Salary
Rs. 50,000/- in the scale of Rs. 50,000/- to Rs.1,50,000/- per month.
 - b) Perquisites:
 - i) Perquisites includes House Rent Allowance, Car, Electricity, Medical Expenses reimbursement for self and family, Leave Travel Concession for self and family, club fees, medical insurance etc., Limited to actual or the Annual Salary whichever is less.
 - ii) Provision of car for use on Company's business and telephone at residence will not be considered perquisites. However, personal long distance calls and use of car for private purpose shall be billed by the Company.
 - iii) Company's Contribution to the Provident Fund, Gratuity and encashment of Leave as per the rules of the Company and the same shall not be in the perquisites as aforesaid.
 2. FURTHER RESOLVED THAT in the event of absence of or inadequacy of profit in any Financial Year during the tenure of the Whole Time Director the remuneration shall be governed as provided under Section II of Part II of Schedule XIII to the Companies Act, 1956 and any excess payment in this regard will be recovered by the Company.
 3. FURTHER RESOLVED THAT she is appointed as a Permanent Director on Board (not liable to retire by rotation).
 4. RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do and perform or cause to be done and performed, all such acts and deeds necessary to give effect to the foregoing resolution, including

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inter alia, approving on behalf of the Company, any changes or modifications in the aforesaid Agreement from time to time.

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

RESOLVED THAT Mr.Paresh N. Trivedi, who was co-opted as additional director on the Board of the Company with effect from January 21st 2010 and who ceases to hold office at this Annual General Meeting and in respect of whom a notice under section 257 of the Companies Act,1956 has been received from a member along with deposit proposing his candidature for the office of a Director on the Board of the Company, be and is hereby appointed as a director on the board, liable to retire by rotation.

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

RESOLVED THAT Shri. Jimmy William Almeida who is currently a Whole Time Director designated as "Vice Chairman and Managing Director" is be and hereby appointed as the "Chairman and Managing Director" of the Company w.e.f 6th April, 2010.

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

"**RESOLVED THAT** pursuant to the provisions of sections 314 and other applicable provisions, if any, of the Companies Act, 1956, Consent of the Company be and is hereby accorded to Shri. Vipul P. Mehta, Proprietor of M/s. V.P. Mehta & Co., Chartered Accountants, relative of Shri. Ashwin P. Mehta, a Director of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting as Auditors of the Company and/or for rendering any other professional services on such remuneration and on such terms as may be agreed by the Board of Directors."

Place : Mumbai
Dated : 6th April, 2010

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

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



(**JIMMY WILLIAM ALMEIDA**)
Chairman & Managing Director

NOTES :-

- The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the Special Business under item no 5 to 8 as stated above in annexed hereto.
- 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.
- The Register of Members and Transfer Books of the Company will remain closed from 30th April, 2010 to 6th May, 2010 (both days inclusive).
- Shareholders desiring any information as regards the accounts are required to write to the Company at least seven days in advance of the meeting so that the information, to the extent practicable, can be made available at the meeting.
- 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, Safeed Pool, Andheri

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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.

- f) Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting and number of shares held by them.
- g) Shri. John William Almeida, a Director retires by Rotation and is eligible for re-appointment at the Annual General Meeting. A brief resume of the said director is given below.

Name	Shri John William Almeida
Age	52 years
Qualification	G.D.Arch, B.Arch, DBM, DCA
Expertise in Specific Area	Architecture, Designer & System Development
Date of first Appointment on the Board of the Company	29/04/1999
Name(s) of the Other Companies in which Directorship and Chairmanship held.	Refer to Report on CORPORATE GOVERNANCE

ANNEXURE TO THE NOTICE

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

ITEM NO. 5 :

The Board of Directors in their meeting held on 6th April, 2010 has Appointed Smt. Jyoti Jimmy Almeida as "Whole time Director" of the Company for a period of 5 years from 1st April, 2010, subject to approval by the shareholders of the Company under Schedule XIII of the Companies Act, 1956.

The Board has also, subject to approval of the share holders, has fixed the remuneration/ perquisites/ benefits payable to the aforesaid Smt. Jyoti Jimmy Almeida, Whole time Director from April 1, 2010 as under :

1. Name of the appointee - Smt. Jyoti Jimmy Almeida
 2. Designation - Whole time Director
 3. Tenure - Five(5) years From April 1, 2010
 4. Salary - Rs. 50,000/- p.m. in the scale of Rs. 50,000/- Rs. 1,50,000/- p.m.
 5. Perquisites
- i) Perquisites include House Rent Allowance, Car, Electricity, Medical Expenses reimbursement for self and family, Leave Travel Concession for self and family, club fees, medical insurance etc., limited to actuals or the Annual Salary whichever is less.
- ii) Provision of car for use on Company's business and telephone at residence will not be considered perquisites. However, personal long distance calls and use of car for private purpose shall be billed by the Company.
- iii) Company's Contribution to the Provident Fund, Gratuity and encashment of leave as per the rules of the Company and the same shall not be in the perquisites as aforesaid.

In the event of absence of or inadequacy of Profit in any Financial Year during the tenure, the remuneration shall be governed as provided under Section II of Part II of Schedule XIII to the Companies Act, 1956.

The Board of Directors be and are hereby authorised to alter and vary the terms and conditions and grant increment(s) and other perquisites to respective individual so as not to exceed the maximum limits for the payment of remuneration specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed to between the Board of Directors and the respective directors.

Further she has been appointed as a permanent Director on Board(not liable to retire by rotation).

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The above mentioned explanatory statement read together with the resolutions specified under **SPECIAL BUSINESS** as item no 5 of the Notice convening the Annual General Meeting may be considered as an abstract, under section 302 of the Companies Act, 1956, of the terms of remuneration and perquisites payable to the aforesaid Whole time Director with effect from 1st April, 2010.

MEMORANDUM OF INTEREST

Shri. Jimmy William Almeida, Shri. John William Almeida and Smt. Celina William Almeida being related to Smt. Jyoti Jimmy Almeida are deemed to be concerned and interested in the resolution at Item No. 5.

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

ITEM NO. 6 :

Mr. Paresh N.Trivedi was co opted by the Board in its meeting held on January 21, 2010 as an additional director of the company pursuant to section 260 of the companies act, 1956. He ceases to hold office on the date of the Annual General Meeting. A notice has been received along with requisite deposit from a member of Company intending to propose Mr. Paresh N.Trivedi for appointment as Director of the company, liable to retire by rotation at the Annual General Meeting.

ITEM NO. 7 :

In the Board of Directors meeting held on 6th of April, 2010 , Smt. Celina William Almeida stepped down from her post of "Chairperson" due to age related health problems. Shri. Jimmy William Almeida, hitherto serving the Company as "Vice Chairman and Managing Director", was appointed as the "Chairman and Managing Director" of the Company by the Board of Directors in the same meeting, subject to the approval of the members at the forth coming Annual General Meeting.

MEMORANDUM OF INTEREST

Smt. Jyoti Jimmy Almeida, Shri. John William Almeida and Smt. Celina William Almeida being related to Shri. Jimmy William Almeida are deemed to be concerned and interested in the resolution at Item Nos 7. Except the above-mentioned Directors none of the directors of the Company is concerned or interested in this resolution.

ITEM NO. 8 :

Shri. Vipul P. Mehta, Proprietor of M/s. V. P. Mehta & Co., Chartered Accountants, the retiring Auditors of the Company, is a relative of Shri. Ashwin P. Mehta, a Director of the Company. Pursuant to the provisions of Section 314 of the Companies Act, 1956, the shareholder's approval by special resolution is required at the General Meeting of the Company for his appointment.

M/s. V. P. Mehta & Co., Chartered Accountants have been the Auditors of the Company even prior to the appointment of Shri. Ashwin P. Mehta, as a Director of the Company and it will be in the interest of the Company to reappoint them as Auditors of the Company.

Shri. Vipul P. Mehta is related to Shri. Ashwin P. Mehta, a Director of the Company and to that extent Shri. Ashwin P. Mehta may be deemed to be concerned or interested in the resolution.

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

Place : Mumbai
Dated : 6th April, 2010

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

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



(JIMMY WILLIAM ALMEIDA)
Chairman & Managing Director

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 (%)
2010	936.66	4690.11	5626.77	1839.79	2162.28	Nil	4007.62	9903.58	2575.72	29470.64	9874.36	39345.00	198.18	61309.49	1020.85	355.07	665.78	20*
2009	936.66	4249.11	5185.77	1457.52	1844.38	Nil	3301.90	9614.80	1647.03	26721.09	7416.40	34137.49	189.55	55110.92	1384.91	479.38	905.53	20
2008	936.66	3607.85	4544.51	1453.01	1688.45	Nil	3141.46	8504.03	1631.42	24586.34	7089.95	31676.29	179.35	50259.70	2249.33	776.23	1473.10	25
2007	936.66	2416.27	3352.93	1432.78	1827.28	NIL	3260.06	7201.61	1486.27	21349.28	6145.37	27494.65	199.87	44796.28	1806.35	619.79	1186.56	18
2006	936.66	1462.22	2398.88	2316.99	2050.55	NIL	4367.54	5921.63	3316.52	16227.00	4743.55	20970.55	261.15	36451.47	2027.47	688.92	1338.55	15
2005	936.66	508.25	1444.91	2041.05	1841.39	NIL	3882.44	4985.29	1761.63	9048.75	3258.33	12307.08	295.48	19481.76	100.71	25.44	75.27	06
2004	936.66	498.96	1435.62	2235.32	1361.40	NIL	3596.72	4710.52	1569.49	8256.63	2745.62	11002.25	331.67	16434.44	118.06	8.75	109.31	06
2003	936.66	462.54	1399.20	2526.09	1522.61	NIL	4048.70	4563.18	1976.74	8014.83	2701.51	10716.34	390.47	16181.97	136.18	23.77	112.41	06
2002	936.66	443.42	1380.08	2537.66	2141.36	NIL	4679.02	4438.58	2442.38	7137.76	2421.23	9558.99	442.79	14510.04	124.47	40.23	84.24	06
2001	936.57	411.41	1347.98	2812.21	2071.89	NIL	4884.10	4330.40	2619.07	6110.16	1972.39	8082.55	556.08	13089.30	70.73	6.00	64.73	05
2000	936.57	399.09	1335.66	3467.89	1931.85	42.75	5442.49	4287.85	2909.46	5817.59	336.34	6153.93	614.53	10487.73	51.03	6.00	45.03	04
1999(18 Months)	936.57	445.72	1382.29	3026.26	1223.84	595.95	4846.05	3359.99	2654.70	8149.59	--	8149.59	1095.21	15110.86	169.95	17.00	152.95	06
1997(18 Months)	936.57	1217.20	2153.77	4490.41	1078.44	674.99	6243.84	3814.31	3316.29	8239.40	--	8239.40	1436.89	15159.43	163.74	20.00	143.74	09
1996	936.57	1267.10	2203.67	2809.07	1521.99	1798.91	6129.97	2887.73	2890.50	5740.47	--	5740.47	512.56	10419.16	450.31	50.00	400.31	12
1995	935.02	988.71	1923.73	2035.80	1036.34	1708.38	4780.52	2176.78	2355.59	4681.55	--	4681.55	222.57	8207.67	595.46	116.50	478.96	20

* Proposed

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DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting their 27th Annual Report together with the Audited Accounts of the Company for the Year ended 31st March, 2010.

Financial Results :

	Audited 31.03.2010	(Rs. in lacs) Audited 31.03.2009
Gross Sales	61,309.49	55,110.92
Other Income	24.64	22.12
	61,334.13	55,133.04
Profit before depreciation & taxation	1,383.54	1,705.74
Less: Depreciation	362.69	320.83
Less: Provision for taxation	355.07	479.38
Less: Prior period adjustment (Taxation)	5.81	45.30
Profit after taxation	659.97	860.23
Add: Balance brought forward from previous year	58.16	56.90
Surplus available for appropriation	718.13	917.13
APPROPRIATIONS		
General reserves	300.00	640.00
Proposed Dividend	187.16	187.16
Tax on Dividend	31.81	31.81
Balance carried to Balance sheet	199.16	58.16
	718.13	917.13

DIVIDEND:

Your Directors have pleasure in recommending for approval of the members at the Annual General Meeting a dividend of 20 % (previous year 20 %). The Dividend of 20 %, if approved at the forth coming Annual General Meeting, will result in the out flow of Rs. 187.16 lacs to the company in addition to Rs. 31.81 lacs by way of dividend distribution tax.

OPERATIONAL REVIEW :

Gross revenues increased to Rs. 61,309.49 Lacs, a growth of around 11.25% against Rs. 55,110.92 Lacs in the previous year. Profit before depreciation and taxation was Rs. 1,383.54 Lacs against Rs. 1,705.74 Lacs in the previous year. After providing for depreciation and taxation of Rs. 362.69 Lacs and Rs. 355.07 Lacs respectively, the net profit of the Company for the year under review was placed at Rs. 659.97 Lacs as against Rs. 860.23 Lacs in the previous year.

The Company's performance for the year 2009-10 shows satisfactory growth in terms of sales. However there was a decline in profits due to abnormal rise in the price of its main raw material i.e. rectified spirit throughout the year which had to be absorbed by the Company to a major extent to maintain the sales volumes. But for the marginal drop in the

cost of packing material and other consumables, the impact of the “price increase” in raw material on the profitability would have been much higher.

DISCLOSURE OF SPECIAL PARTICULARS:

Information as per Clause (e) of sub-section (1) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 for the Year ended 31st March, 2010 is given below :

CONSERVATION OF ENERGY:

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

TECHNOLOGY ABSORPTION:

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

FOREIGN EXCHANGE EARNINGS AND OUT-GO:

During the period under review there was no in flow or out flow of any foreign exchange.

PARTICULARS OF EMPLOYEES:

The provisions of section 217(2A) of the Companies Act, 1956 are not applicable as no Employee was in receipt of remuneration to the extent laid down therein.

FIXED DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

INDUSTRIAL RELATIONS:

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

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 217 (2AA) of the Companies Act, 1956, the directors would like to state that :

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.

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- 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.

SUBSIDIARY COMPANIES:

The Company does not have any subsidiary.

AUDITOR'S REPORT :

The observation made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 217 of the Companies Act, 1956.

DIRECTORS:

- a) Shri. John William Almeida retires by rotation and being eligible, offers him self for re appointment. The Directors recommend Shri. John William Almeida's re-appointment.
- b) Smt. Jyoti Jimmy Almeida has been appointed as a Whole Time Director on Board not liable to retire by rotation with effect from 1-4-2010 subject to approval by the members in the forth coming Annual General Meeting. The Company has entered into an Agreement with Smt. Jyoti Jimmy Almeida in this regard.
- c) Smt. Celina Almeida stepped down as the "Chairperson" of the Company due to age related health reasons w.e.f. 06-04-2010. However, she will continue to be a Director on the Board. The Board of Directors would like to convey, on behalf of all the members, their sincerest thanks and gratitude for the invaluable contribution made by Smt. Celina William Almeida to the company during her tenure as the "Chairperson"
- d) Shri. Jimmy William Almeida has been appointed as the Chairman and Managing Director of the Company w.e.f. 06-04-2010.

AUDITORS:

The Auditors M/s. V. P. Mehta & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report are set out as separate Annexures, together with the certificate from the auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

ACKNOWLEDGEMENTS:

Your Company and its Directors wish to extend their sincerest thanks to the Members of the Company, Bankers, State Government, Customers, Suppliers, Executives, Staff and workers at all levels for their continuous co-operation and assistance.

**FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS**



(JIMMY WILLIAM ALMEIDA)
Chairman & Managing Director

Place : Mumbai
Dated : 6th April, 2010

AUDITORS' REPORT

TO THE MEMBERS OF G.M. BREWERIES LIMITED

We have audited the attached Balance Sheet of G.M. Breweries Limited as at 31st March, 2010 and the profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting accounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1) As required by the Companies (Auditors' Report) order, 2003 (as amended) issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said orders.
- 2) Further to our comments in the Annexure referred to in paragraph 1 above:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit.
 - 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 such books.
 - c) The Balance Sheet, profit and Loss Account and Cash Flow Statement referred to in this report, are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow statement dealt with by this report are in compliance with the Accounting Standards referred to in section 211(3c) of the Companies Act, 1956.
 - e) On the basis of written representation received from the Directors, as on 31st March 2010 and taken on record by the board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 from being appointed as a director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- 3) Subject to the foregoing and in our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with the schedules and the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i) In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010 and:
 - ii) In so far as it relates to the Profit & Loss Account, of the Profits of the Company for the year ended on that date annexed thereto.
 - iii) In case of the Cash Flow Statement, of the Cash Flow Statement for the year ended on that date.

For **V.P. MEHTA & COMPANY**
Chartered Accountants

Place : Mumbai
Dated : 6th April, 2010

VIPUL P. MEHTA
PROPRIETOR
Membership No : 35722

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ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date)

1. a) The Company has maintained proper records to show full particulars including quantitative details and situations of fixed assets.
b) As per the information and explanations given to us, the fixed assets of the Company have been physically verified by the management at reasonable intervals and no serious discrepancies between the book records and physical verification were noticed.
c) During the year the Company has not disposed off any substantial /major part of fixed assets.
2. a) As per the information and explanations given to us, the inventories have been physically verified by the management at reasonable intervals during the year.
b) In our opinion and as per the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
c) The Company is maintaining proper records of inventories. In our opinion, discrepancies noticed on physical verification of inventory were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
3. As per information furnished, the company has not granted or taken any loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of audit, no major weakness has been noticed in the internal controls.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under sec 301 have been so entered.
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under sec 301 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. As the company has not accepted any deposits from the public within the meaning of the provisions of Sec 58A and 58AA of the Companies Act, 1956 and rules made there under, clause (vi) of the order is not applicable.
7. In our opinion, the company has an internal audit system commensurate with the size of the Company and nature of its business.
8. The maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956.
9. (a) According to information and explanations given to us and the records examined by us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, value added tax, wealth tax, custom duty, excise duty, cess and other statutory dues wherever applicable.
(b) According to information and explanations given to us, no undisputed arrears of statutory dues were

outstanding as at 31st March 2010, for a period of more than six months from the date they became payable.

- (c) According to the records of the Company, there are no dues outstanding in respect of income tax, MVAT, customs duty, wealth-tax, service tax, excise-duty, cess, etc, on account of any dispute.
10. There are no accumulated losses of the Company as on March 31, 2010. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to Banks and payments have been made as per the repayment schedule sanctioned by the banks. The Company has no borrowings from financial institutions or by way of debentures.
12. Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/ or advances on basis of security by way of pledge of shares, debentures and other securities.
13. Clause (xiii) of the order is not applicable to the Company as the Company is not a Chit fund company or nidhi/mutual benefit fund/ society.
14. Clause (xiv) of the order is not applicable to the Company as the Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The company has applied funds from term loans raised during the year only for the purpose for which those term loans were raised .The Company has raised during the year working capital limits, which have been used for working capital needs of the Company.
17. During the year under purview the Company has not made any long term Investments out of funds raised on short-term basis or vice versa.
18. The Company has not made any preferential allotment of shares during the year.
19. Clause (xix) of the order is not applicable to the company, as the Company has not issued any debentures.
20. The Company has not raised any money by public issues during the year covered by our report.
21. As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

FOR V.P.MEHTA & COMPANY
CHARTERED ACCOUNTANTS

(VIPUL P. MEHTA)
PROPRIETOR
Membership No : 35722

Place: Mumbai
Dated : 6th April, 2010

G. M. BREWERIES LIMITED

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 continuing exercise and strives to improve the Corporate Governance practices to meet shareholder's expectations.

2. BOARD OF DIRECTORS:

a) Composition, Category of Directors and their other directorship as on March 31, 2010.

Name of The Director	Category of Directorship	No. of Directorship in other Public Pvt. Ltd. Companies
Shri. Jimmy William Almeida	Executive (Chairman & Managing Director)	2
Smt. Jyoti Jimmy Almeida	Executive (Whole Time Director)	Nil
Shri. John William Almeida	Executive (Whole Time Director)	Nil
Smt. Celina William Almeida	Non-Executive Director	2
Shri. Mukund G. Diwan	Non-Executive (Independent Director)	9
Shri. Ashwin P. Mehta	Non-Executive (Independent Director)	2
Shri. Paresh N. Trivedi	Non- Executive (Independent Director)	1

As per the Revised guidelines under Clause 49 of the Listing Agreement, if the Executive Chairman/ Chairperson is a Promoter, the Board should comprise of 50 % Independent Directors. As against the Statutory requirement of 4 Independent Directors, the Company has got 3 Independent Directors as on 31st March, 2010. In this respect, the Company has not complied with the Mandatory requirements under Clause 49 of the revised Listing Agreement. However the Company is trying its best to find suitable persons to be inducted as Independent Directors at the earliest.

b) Number of Board Meetings: During the year ended March 31, 2010, SEVEN Board Meetings were held on April 04, July 30, September 17, October 12, November 10, 2009 and January 7 & 21, 2010.

c) Directors' attendance record:

Name of The Director	Board Meetings Attended during the year	Whether attended Last AGM
Shri. Jimmy William Almeida	7	Yes
Smt. Jyoti Jimmy Almeida	7	Yes
Shri. John William Almeida	7	Yes
Smt. Celina William Almeida	7	Yes
Shri. Mukund G. Diwan	6	No
Shri. Ashwin P. Mehta	6	Yes

3. COMMITTEES OF THE BOARD

a) Audit Committee

i) Terms of Reference:

Apart from all the matters provided in clause 49 of the listing agreement and sec 292-A of the Companies Act 1956, 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:

In the last financial year 2009-10, the committee consisted of two independent directors, Shri. Mukund G. Diwan, Shri. Ashwin P. Mehta and one non-executive director, Smt. Jyoti Jimmy Almeida. Shri. Ashwin P. Mehta has been designated as chairman of the committee. The committee met 4 times during the financial year ending March 31, 2010. The attendance record of the members at the meeting were as follows

Name of The Member	No of Meetings Attended
Ashwin P. Mehta	3
Mukund G. Diwan	3
Jyoti Jimmy Almeida	4

However the audit committee has been reconstituted for the financial year 2010-11 as follows. All the Directors in this committee are non executive independent Directors

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

b) Remuneration Committee and policy:

The remuneration committee for fixing the remuneration of Executive Directors has been constituted and it comprises of the following Directors. All the Directors in this committee are Non – Executive Independent Directors.

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

The details of remuneration for the year ended March 31,2010 to the Executive Directors are as follows

Name	Salary
Jimmy William Almeida	12.00 Lakhs
John William Almeida	8.05 Lakhs

The Company has paid sitting fees of Rs 10,000/- per meeting to Non-Executive Chairperson and Directors during the financial year 2009-10.

c) Shareholders/ Investors' Grievance Committee:

During the year 2009-2010 the Shareholders/ Investors Grievance committee which also acts as Share Transfer Committee met 14 times.

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

Name of The Member	No. Of Meetings Held	No. Of Attended
Ashwin P. Mehta ,Chairman	14	13
Celina William Almeida, Member	14	14
Jyoti Jimmy Almeida, Member	14	14

However the Shareholder's/ Investor Grievance committee has been reconstituted for the financial year 2010-11 as follows.

Name of The Member	Designation
Ashwin P. Mehta	Chairman
Jyoti Jimmy Almeida	Member
Paresh N. Trivedi	Member

During the year 2009-2010, 5 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.

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". The results are published in accordance with the guidelines of the Stock Exchanges.

(ii) In line with the recent amendment to the Listing Agreement, the Company has created a separate e-mail address viz. gmbreweries@gmail.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 Safeed Pool Andheri Kurla Road, Andheri(E), Mumbai - 400 072.

c. Share Transfer System:

All physical share transfers are effected within 30 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 three Directors and a summary of transfer/transmission of shares so approved by the committee is placed before the Board.

d. General Body Meetings :

Details of last three Annual General meetings are as under.

Financial Year	Date	Time	Venue
2008-09	05-05-2009	11.30 A.M.	Joshi's Kohinoor Hall, 3 rd Flr, S.Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025.
2007-08	06-05-2008	11.30 A.M	Joshi's Kohinoor Hall, 3 rd Flr, S.Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025.
2006-07	08-05-2007	11.30 A.M	Joshi's Kohinoor Hall, 3 rd Flr, S.Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025.

e) Postal Ballot:

For the year ended March 31, 2010 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 : 6th May 2010

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

Time : 11.30 A.M.

b) Financial Calendar :

Financial Year: 1st April to 31st March For the financial year 2010-11, the tentative dates for declaration of Quarterly unaudited results will be by 31st July, 2010, 31st October, 2010, 31st January 2011 and 30th April, 2011.

c) Book Closure :

The register of Members and Share Transfer Books of the Company shall remain closed from 30th April, 2010 to 6th May 2010 (both days inclusive).

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, 2010 was as follows :

Month	High	Low
April 2009	84.95	58.00
May 2009	82.00	66.00
June 2009	84.00	62.10
July 2009	87.00	68.00
August 2009	108.00	66.60
September 2009	96.00	80.10
October 2009	85.75	73.00
November 2009	86.00	71.15
December 2009	94.00	75.15
January 2010	103.70	75.10
February 2010	86.00	72.60
March 2010	84.95	73.60

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, 2010 was as follows:

Month	High	Low
April 2009	84.85	58.00
May 2009	79.00	63.05
June 2009	85.00	70.15
July 2009	79.90	66.00
August 2009	107.00	67.00
September 2009	98.80	79.35
October 2009	88.00	66.60
November 2009	89.90	71.50
December 2009	93.85	76.50
January 2010	103.90	73.00
February 2010	84.00	74.10
March 2010	84.85	76.05

h) Distribution of shareholding as on March 31, 2010.

Size of Holdings	No. of Share Holders	Percentage %	No. of Shares	Percentage %
Upto 100	4283	56.70	309126	3.30
101 to 200	1267	16.77	236726	2.53
201 to 500	1206	15.97	463453	4.95
501 to 1000	508	6.72	435928	4.66
1001 to 5000	252	3.34	525436	5.62
5001 to 10000	18	0.24	124899	1.33
10001 to 100000	14	0.19	433207	4.63
100001 to above	5	0.07	6829325	72.98
Total	7553	100.00	9358100	100.00

Share Holding Pattern :

Sr.No.	Category	No. of Shares	% of Share holding
1.	Promoters (Out of the Promoters' Share holding, 1,22,400 Shares have been offered as collateral security to CitizenCredit Co-Op Bank Ltd., Dadar - Mumbai from 20-08-2003 for the term loan advanced to the Company.)	6952224	74.291
2.	Residential Individual	2041397	21.814
3.	Private Corporate Bodies	184318	1.970
4.	Financial Institutions/Banks and Mutual Funds	--	--
5.	FII's/Bank	--	--
6.	NRI's and OCB	177242	1.894
7.	Clearing Member	2919	0.031
	Total	9358100	100.00

i) Shares held in physical and dematerialized form:

As on March 31, 2010 94.20 % 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 : gmbreweries@gmail.com

m) Shares held in electronic form

Shareholders holding shares in the electronic form may give instruction regarding bank details, which they wish to incorporate on their dividend to their depository participants. As per the regulations of NSDL and CDSL the company is obliged 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 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 31st March, 2010.

(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 the past several years due

to competitive market conditions in the IMFL segment. The Company has been achieving impressive progress both in terms of value and volume in the production of country liquor during the past five years.

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 23 % 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 from the consumers for the past several years and the company enjoys virtual monopoly in country liquor in the districts of Mumbai and Thane. It is the single largest manufacturer of country liquor in the State of Maharashtra. The company has capacity to process 13.76 crore bulk litres of country liquor per annum out of which only about 42 % has been utilized last year. The company has got tremendous potential to utilise the balance capacity by penetrating into interior districts of Maharashtra taking advantage of its brand image.

Even though stringent steps have been taken by the various Government agencies, the parallel duty evaded market which eats into Company's market share as well as Government's revenue continues to be the main threat to the Company. The company continues to make representations at various levels of the Government to take effective steps to curb the illicit market in the interest of the industry, revenue of the state as well as the public health. The Company has been facing difficulty also due to high levels of taxation and frequent changes in laws. In fact the exorbitant rates 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.

To overcome the problem of shortage and wide price fluctuation in glass bottles, the Company has started marketing country liquor in PET bottles. Even though the initial response from the market for the PET bottles was not very encouraging, there is a steady increase in the sale of PET bottles. Company's all bottling lines have been designed to handle both glass and pet bottles.

G. M. BREWERIES LIMITED

(C) OUT LOOK

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

(D) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has engaged the services of an independent Chartered Accountant to carry out the internal audit and ensure that recording and reporting are adequate and proper, the internal controls exist in the system and that sufficient measures are taken to update the internal control system. The system also ensures that all transactions are appropriately authorised, recorded and reported. Exercises for safeguarding assets and protection against unauthorised use are undertaken from time to time. 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 satisfactory. Even though there has been a sizable increase in the turnover,

there was no corresponding increase in the profitability due to huge rise in the prices of rectified spirit compared to the previous year. However, the Company will continue its efforts to cut down the costs in all possible manner and improve the profitability in the coming years.

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

As on 31st March, 2010 the company had 139 permanent employees at its manufacturing plants and administrative office. The company recognises the importance of human value and ensures that proper encouragement both moral and financial is extended to employees to motivate them. 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.

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirements of Clause 49 of the Listing Agreement, this is to confirm that all the members of the Board and the Senior Management personnel have affirmed Compliance with the Code of Conduct for the year ended 31st March 2010.

Place : Mumbai
Dated : 6th April, 2010

For G. M. Breweries Limited

(Jimmy William Almeida)
Chairman & Managing Director

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 2009-10 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 materially 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 William Almeida)
Chairman & Managing Director

(S. Swaminathan)
Chief Financial Officer

Place : Mumbai
Dated : 6th April ,2010

COMPLIANCE CERTIFICATE OF THE AUDITORS

A certificate from the auditors of the Company regarding compliance of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

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, 2010 stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges. The Compliance of condition of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company to ensure Compliance with the condition of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

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

For V. P. MEHTA & COMPANY
Chartered Accountants

(VIPUL P MEHTA)
ProprietorMembership No: 35722

Place : Mumbai
Dated : 6th April , 2010

G. M. BREWERIES LIMITED

BALANCE SHEET AS AT 31st MARCH, 2010

(Rs. in '000)

	Schedule	As at March 31, 2010	As at March 31, 2009
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	1	93,666	93,666
b) Reserves & Surplus	2	<u>469,011</u>	<u>424,911</u>
		562,677	518,577
2. Loan Funds			
a) Secured Loans	3	183,979	141,782
b) Unsecured Loans	4	<u>555</u>	<u>3,970</u>
		184,534	145,752
3. Deferred Tax Liability		<u>22,616</u>	<u>17,748</u>
Total		<u>769,827</u>	<u>682,077</u>
II. APPLICATION OF FUNDS			
1. Fixed Assets	5		
a) Gross Block		990,358	934,890
b) Less: Accumulated Depreciation		<u>274,045</u>	<u>237,776</u>
c) Net Block		716,313	697,114
d) Capital Work in Progress		<u>33,840</u>	<u>26,590</u>
2. Investments	6	227	227
3. Current Assets, Loans and Advances	7		
a) Inventories		113,825	76,131
b) Sundry Debtors		180	365
c) Cash and Bank balances		33,104	8,631
d) Loans and Advances		<u>110,463</u>	<u>79,576</u>
		257,572	164,703
4. Less : Current Liabilities and Provisions	8		
a) Current Liabilities		216,228	184,438
b) Provisions		<u>21,897</u>	<u>22,119</u>
		238,125	206,557
Net Current Assets		19,447	(41,854)
Total		<u>769,827</u>	<u>682,077</u>

Notes forming part of the Accounts 14

As per our report of even date attached for V. P. Mehta & Company Chartered Accountants

Vipul P. Mehta
Proprietor
Membership No. 35722

Mumbai, 6th April, 2010

Chairman & Managing Director

Wholtime Directors

Directors

Chief Financial Officer

Company Secretary & Manager Accounts

Jimmy W. Almeida

{ **Jyoti J. Almeida**
John W. Almeida

{ **Celina W. Almeida**
Ashwin P. Mehta
Mukund G. Diwan
Paresh N. Trivedi

S. Swaminathan

Sandeep Kutchhi

Mumbai, 6th April, 2010

27th Annual Report 2009-2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

		Current Year March 31, 2010	(Rs. in '000) Previous year March 31, 2009
I. Income			
Gross Sales		6,130,949	5,511,092
Less: State Excise Duty		2,947,064	2,672,109
MVAT (Net of Set off)		987,436	741,640
		<u>2,196,449</u>	<u>2,097,343</u>
Other Income	9	2,464	2,212
Total Income		<u>2,198,913</u>	<u>2,099,555</u>
II. Expenditure			
Material Cost and Inventories	10	1,907,079	1,777,437
Manufacturing and Other Expenses	11	98,963	103,287
Personnel	12	34,699	29,302
Interest and Financial Charges	13	19,818	18,955
Depreciation	5	36,269	32,083
Total Expenditure		<u>2,096,828</u>	<u>1,961,064</u>
III. Profit before Taxation		102,085	138,491
IV. Provision for Current Tax		30,639	41,900
V. Provision for Deferred Tax		4,868	5,638
VI. Provision for Fringe Benefit Tax		-	400
VII. Profit after Taxation		66,578	90,553
Add : Balance brought forward from Last Year		5,816	5,690
Short provision for Income Tax for earlier years provided		(581)	(4,530)
VIII. Profit available for Appropriation		<u>71,813</u>	<u>91,713</u>
IX. Appropriations :			
Proposed Dividend		18,716	18,716
Tax on Dividend		3,181	3,181
Transfer to General Reserve		30,000	64,000
Surplus carried to Balance Sheet		19,916	5,816
		<u>71,813</u>	<u>91,713</u>
Earning per share (Basic & Diluted)		<u>7.11</u>	<u>9.68</u>
Notes forming part of the Accounts	14		

As per our report of even date attached for V. P. Mehta & Company Chartered Accountants

Vipul P. Mehta
Proprietor
Membership No. 35722

Mumbai, 6th April, 2010

Chairman & Managing Director

Wholetime Directors

Directors

Chief Financial Officer

Company Secretary & Manager Accounts

Jimmy W. Almeida

{ **Jyoti J. Almeida**
John W. Almeida

{ **Celina W. Almeida**
Ashwin P. Mehta
Mukund G. Diwan
Paresh N. Trivedi

S. Swaminathan

Sandeep Kutchhi

Mumbai, 6th April, 2010

G. M. BREWERIES LIMITED

Schedules 1 to 14 annexed to and forming part of the Balance Sheet & Profit and Loss Account

SCHEDULE 1 - Share Capital

	As at March 31, 2010	(Rs. in '000) As at March 31, 2009
Authorised :		
1,75,00,000 Equity Shares of Rs.10/- each	175,000	175,000
75,00,000 Unclassified Shares of Rs.10/- each	75,000	75,000
	250,000	2,50,000
Issued, Subscribed and Paid-up :		
93,58,100 Equity Shares of Rs.10/- each fully paid up	93,581	93,581
Add : Shares forfeited	85	85
	93,666	93,666

SCHEDULE 2 - Reserves & Surplus

Reserves :		
General Reserve		
As Per Last Balance Sheet	383,900	319,900
Add : Transfer from Profit and Loss Account	30,000	64,000
	413,900	383,900
Share Premium	35,195	35,195
Surplus :		
Balance in Profit & Loss Account	19,916	5,816
Total	469,011	424,911

SCHEDULE 3 - Secured Loans

A. From Banks :

Working Capital Term Loan

- Citizen Credit Co-operative Bank Ltd. These facilities are secured by		
A) Charge on		
i. Land bearing Plot 1 to 8 and Plot 9,10,11 located at Village Narangi, Virar along with Structures thereon		
ii. Land bearing Plot 1 to 11 and Plot A to F located at Village Palsai, Wada along with Structures thereon		
iii. Flat at Pratamesh Co-operative Housing Society Ltd., Prabhadevi, Mumbai	182,774	135,798

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	As at March 31, 2010	(Rs. in '000) As at March 31, 2009
B) Hypothecation of of Raw Materials, Stock in Process, Finished Goods and Book Debts		
B. Vehicle Finance (Secured by hypothecation of Vehicles financed)	1,205	4,568
C. Interest accrued and due on Secured Loans	-	1,416
	183,979	141,782
SCHEDULE 4 - Unsecured Loans		
Security Deposits From Customers & Others	555	555
Loan from Director	-	3,415
	555	3,970

SCHEDULE 5 : Fixed Assets

(Rs. in '000)

DESCRIPTION	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	AS AT 01/04/09	ADDI- TIONS	DEDUC- TIONS	AS AT 31/03/10	AS AT 01/04/09	FOR THE YEAR	WRITTEN BACK	AS AT 31/03/10	AS AT 31/03/10	AS AT 31/03/09
Brand Development	4,215	-	-	4,215	3,371	844	-	4,215	-	844
Freehold Land at Virar	25,560	-	-	25,560	-	-	-	-	25,560	25,560
Freehold Land at Wada	13,603	-	-	13,603	-	-	-	-	13,603	13,603
Leasehold Land Deposit	90,000	-	-	90,000	-	-	-	-	90,000	90,000
Factory Building	251,701	40,707	-	292,408	42,988	8,620	-	51,608	240,800	208,713
Building at Wada	72,898	-	-	72,898	16,887	2,435	-	19,322	53,576	56,011
Godown	7,525	-	-	7,525	1,757	251	-	2,008	5,517	5,768
Residential & Commercial Premises	45,049	-	-	45,049	566	218	-	784	44,265	44,483
Plant & Machinery	358,751	12,859	-	371,610	136,712	17,448	-	154,160	217,450	222,039
Electric Fittings	9,220	-	-	9,220	4,299	438	-	4,737	4,483	4,921
Computers	7,765	438	-	8,203	7,007	1,196	-	8,203	-	758
Office Equipments	5,537	389	-	5,926	2,906	364	-	3,270	2,656	2,631
Furniture & Fixtures	6,096	570	-	6,666	5,071	401	-	5,472	1,194	1,025
Vehicle	36,970	505	-	37,475	16,212	4,054	-	20,266	17,209	20,758
Total	934,890	55,468	-	990,358	237,776	36,269	-	274,045	716,313	697,114
Previous Year	814,120	120,770	-	934,890	205,693	32,083	-	237,776	697,114	608,427

G. M. BREWERIES LIMITED

SCHEDULE 6 : Investments - Long Term

	Face Value	Quantity (in Numbers)		Amount (Rs. in '000)	
		As at March 31, 2010	As at March 31, 2009	As at March 31, 2010	As at March 31, 2009
Unquoted: At cost					
(a) Government/Trust Securities					
7 Years National Saving Certificates (Lodged with State Excise Department as mandatory security)				37	37
Kisan Vikas Patra				30	30
(b) Equity Shares fully paid up					
The Thane Janata Sahakari Bank Ltd.	50	3,000	3,000	150	150
Citizen Credit Co-op. Bank	10	1,010	1,010	10	10
Total				<u>227</u>	<u>227</u>
Aggregate cost of Unquoted Investment				<u>227</u>	227

SCHEDULE 7 - Current Assets, Loans and Advances

	(Rs. in '000)	
	As at March 31, 2010	As at March 31, 2009
a) Inventories		
(Stock-in-trade as per Inventories taken Valued & Certified by the Management)		
Raw Material & Packing Materials	81,668	56,390
Stock in Process	19,244	14,954
Stock of Finished Goods	12,462	4,390
Stock of Scrap	251	218
Consumable Stores and Spares	200	179
	<u>113,825</u>	<u>76,131</u>
b) Sundry Debtors		
(Unsecured, considered good)		
Debts outstanding for a period exceeding six Months	180	170
Other Debts	-	195
	<u>180</u>	<u>365</u>
c) Cash & Bank Balances		
Cash-in-hand	1,689	1,986
Balance with Scheduled Bank		
i) In Current Accounts	2,164	3,296
ii) In Unpaid Dividend Account	2,349	1,893
iii) In Fixed Deposits (Net of Advance)	26,902	1,456
	<u>33,104</u>	<u>8,631</u>

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d) Loans & Advances

(Unsecured, considered good unless otherwise stated)

Advances recoverable in cash or kind or for Value to be received

72,436

68,418

Advance payment of Income Tax (Net of Provision for Taxation)

2,453

-

Security Deposits

10,000

10,000

Statutory Deposits

25,574

1,158

110,463

79,576

SCHEDULE 8 - Current Liabilities & Provisions

a) Current Liabilities

Sundry Creditors

72,454

71,503

Statutory Liabilities

96,260

66,450

Advance received from Customers & others

26,273

19,899

Other Liabilities

18,913

24,767

Unclaimed Dividend

2,328

1,819

216,228

184,438

b) Provisions

Provision for Tax (Net of Advance tax)

-

222

Proposed Dividend

18,716

18,716

Tax on Dividend

3,181

3,181

21,897

22,119

(Rs. in '000)

Current Year
March 31, 2010

Previous Year
March 31, 2009

SCHEDULE 9 - Other Income

Interest on Income Tax Refund

98

668

Interest on Fixed Deposit

1,006

473

Dividend Received

2

9

Rent & Compensation Received

388

393

Other Operating Income

600

600

Other Income

370

69

2,464

2,212

SCHEDULE 10 - Material Cost and Inventories

Raw Materials Consumed

16,360

6,001

Opening Stock

Add : Purchases

1,026,062

902,067

1,042,422

908,068

Less: Closing Stock

15,199

16,360

1,027,223

891,708

G. M. BREWERIES LIMITED

	Current Year March 31, 2010	(Rs. in '000) Previous Year March 31, 2009
Packing and Other Materials Consumed	892,251	889,138
(Increase)/Decrease In Stock		
Opening Stock		
Finished Goods	4,390	4,505
Work-in-Process	14,954	11,306
Scrap	218	342
	<u>19,562</u>	<u>16,153</u>
Less: Closing Stock		
Finished Goods	12,462	4,390
Work-in-Process	19,244	14,954
Scrap	251	218
	<u>31,957</u>	<u>19,562</u>
	<u>(12,395)</u>	<u>(3,409)</u>
	<u>1,907,079</u>	<u>1,777,437</u>

SCHEDULE 11 - Manufacturing and Other Expenses

Stores & Spares Consumed	1,723	3,205
Repairs & Maintenance		
- Plant & Machinery	4,468	7,344
- Building	10,351	17,695
- Others	12,202	4,938
	<u>27,021</u>	<u>29,977</u>
Excise Supervision Charges	955	975
Power & Fuel	6,765	6,610
Rent, Rates & Taxes	3,373	2,851
Octroi Charges	4,024	4,223
Licence Fees	7,189	6,548
Legal and Professional Charges	2,113	3,525
Legal Expenses	87	92
Postage, Telephone and Telegram Expenses	563	662
Printing & Stationery	468	484
Insurance	2,253	6,432
Directors' Remuneration	2,265	1,800
Travelling & Conveyance	1,531	1,242
Donation	4,651	2,860
Vehicle Expenses	24,091	23,975
Advertisement and Publicity	2,841	138

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- Audit Fees	281	281
- Tax Audit Fees	84	84
- Taxation Matters	28	28
	<u>393</u>	<u>393</u>
Miscellaneous Expenses	6,657	7,295
	<u>98,963</u>	<u>103,287</u>

SCHEDULE 12 - Personnel

Salaries & Wages	25,826	21,841
Bonus to Staff & Workers	791	742
Contribution to Provident & other Funds	2,763	2,300
Employees Welfare	5,319	4,419
	<u>34,699</u>	<u>29,302</u>

SCHEDULE 13 - Interest and Financial Charges

Interest on Term Loan	17,326	16,212
Bank Interest and Charges	1,903	1,737
Other Interest and Financial Charges	589	1,006
	<u>19,818</u>	<u>18,955</u>

G. M. BREWERIES LIMITED

NOTES ON ACCOUNTS

SCHEDULE 14:

Accounting Policies and Notes forming part of accounts for the year ended March 31, 2010

1. Significant Accounting Policies :

Basis of Accounting :

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

Fixed Assets :

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

Depreciation :

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

Investments :

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

Inventories :

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

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

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

Employees Retirement Benefits :

(a) Defined Contribution Plans.

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

(b) Defined Benefit Plan.

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

(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.

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.

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 has incurred expenses on brand development of various products. The expenses are 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 asset arising on account of brought forward unabsorbed 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 employees 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 issued in this regard by The Institute of Chartered Accountants of India.

2. Notes on Accounts forming part of accounts

A. Contingent Liabilities not provided for:

The Company's basic raw material namely Rectified Spirit is purchased from various distilleries in Maharashtra on which a specific "Transport Fee" is levied by the State Excise Department, Government of Maharashtra under the Bombay Prohibition Rules. During the years 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09 & 2009-10 the Company has purchased 94.40 lacs Bulks liters (BL), 97.50 Lacs (BL), 100 Lacs (BL), 210 Lacs (BL) 215 Lacs (BL) 241 Lacs (BL), 258 Lacs (BL) & 259 Lacs (BL) of Rectified Spirit respectively.

The Company has filed a writ petition in the Bombay High Court Challenging the applicability of the Transport Fees and the High Court in an interim order has restrained the concerned authorities from collecting the Transport Fees from the Company till the final disposal of the writ petition.

Based on the modified interim orders of the Supreme Court and the Bombay High Court in identical cases, the Company has deposited a sum of Rs.2,44,03,150/- with the State Excise Department towards 50 % transport fees for the period 01.10.2008 to 31.03.2010.

However the Company will be in a position to meet out any additional liability that may arise out of the final judgment of the High Court out of its reserves.

- B. (i) 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 2007-08. The Company has also filed the audit report as required under the MVAT Act up to the year 2008-09 and there are no dues payable under the provisions of the MVAT Act as on 31st March 2010.

G. M. BREWERIES LIMITED

(ii) The company's Income Tax assessment has been completed upto assessment year 2007-08 and the demands raised by the department has already been paid by the company.

C. Estimated amount of contracts remaining to be Executed on capital accounts and not provided for

	2009-2010	2008-2009
	Nil	Nil

D. 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.

E. Remuneration of Directors Salary

	2009-2010	(Rs. in '000) 2008-2009
	2005	1800

F. 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.

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

H. The Company has not received any intimation from 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at year end together with interest paid / payable as required under the said Act have not been given.

I. 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:

	Unit	Quantity	Value (Rs. in '000)
Rectified & Natural Spirit	BL	2,59,85,029 (2,55,23,275)	10,27,223 (8,91,708)

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	2009-10	Value (Rs. In '000) 2008-09
i) Imported	0	----	----
ii) Indigenous	100	19,08,802	17,80,846

(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'000)
Indian Made	BL	(1,10,16,000)	--	--	--
Foreign Liquor		(1,10,16,000)	(--)	(--)	(--)
Country Liquor	BL	Hall No. 1 Hall No. 2 Hall No. 3	6,87,96,000 4,21,20,000 2,66,76,000		
Total		13,75,92,000* (13,57,92,000)	5,79,67,531 (569,86,824)	5,76,24,275 (569,77,866)	61,30,949 (55,11,092)

* As certified by the management due to up gradation and modification and reallocation of bottling lines the installed capacity has increased in comparison with last years installed capacity.

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

	Unit	Opening Stock		Closing Stock	
		Quantity	Value	Quantity	Value (Rs. in'000)
Indian Made	BL	---	---	---	---
Foreign Liquor		(--)	(--)	(--)	(--)
Country Liquor	BL	186,667 (177,709)	4,390 (4,505)	529,923 (186,667)	12,462 (4,390)

J. Related Party Disclosures

(a) List of Related Parties

i) Associate

- Almeida Country Liquor Shop

ii) Key Management Personnel

- Jimmy William Almeida – Chairman & Managing Director

- Jyoti Jimmy Almeida- Whole Time Director

- John William Almeida- Whole Time Director

- Celina William Almeida- Director

(b) Details of transactions

Nature of Transaction	Associate (Amount in Rs.)	Key Management Personnel (Amount in Rs.)
Sale of Goods	91,20,566	---
Rent Paid	---	13,26,900/-
Remuneration	---	20,05,000/-
Outstandings		
Trade Receivables	Nil	

K. Earning per share

		2009-10	2008-2009
Net Profit after Tax	(Rs. In '000)	66,578	90,553
Before adjustment of Income Taxes of earlier years			
Net Profit after Tax	(Rs. In '000)	65,997	86,023
After adjustment of Income Taxes of earlier years			
Weighted Average Number of equity shares	(Nos.)	93,58,100	93,58,100
Earning per share	(Basic & Diluted)	7.11	9.68
Before adjustment of Income Taxes of earlier years			
Earning per share	(Basic & Diluted)	7.05	9.19
After adjustment of Income Taxes of earlier years			

L. During the year company has created deferred tax liability of Rs. 48.68 lacs on account of different rates of depreciation as per Income Tax Act and depreciation as debited in books of accounts as per Company's Act 1956.

M. Other Liabilities listed under the head Current Liabilities in Schedule 8(a) of the financial statements represent book over draft

N. 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.

G. M. BREWERIES LIMITED

O. Auditors Remuneration:

	(Rs.in '000)	
	Current Year	Previous Year
Audit Fees	281	281
Tax Audit	84	84
Taxation Matters	28	28
Total	393	393

P. Employee Benefits:

The Company has made provision in the Accounts for Gratuity based on Actuarial valuation. The particulars under the AS 15 (Revised) furnished below are those which are relevant and available to company for this year.

I Assumption As At	On 31.03.2010
Mortality Rate	Lic(1994-96)
Discount Rate	8%
Withdrawal Rate	1% To 3%
Salary Escalation	4%
Valuation Method	Projected Unit Credit Method
Period Of Accounting	1.04.2009 To 31.03.2010
II Data Information	On 31.03.2010
Number Of Members	138
Average Age	38.91
Average Monthly Salary	5472.91
Average Past Services	14.86
III Results Of Valuation	On 31.03.2010
(a) PV Of Past Service Benefit	40,36,888
(b) Current Service Cost	2,45,533
(c) Total Service Gratuity	1,44,28,077
(d) Accrued Gratuity	66,30,172
(e) LCSA	77,97,905
(f) LIC Premium	23,726
(g) Service Tax @10.30%	2,444
IV Recommended Contribution Rate	
(a) Fund Value As On Renewal Date	31,19,501
(b) Additional Contribution For Existing Fund	9,17,387
(c) Current Service Cost	2,45,533
V Actual (Gain)/ Loss On Obligation/	
Total Amount Charged To P&L	11,89,090
(III(f) +III(g) +IV(b)+IV(c))	

Q. The figures of the previous years have been regrouped/rearranged wherever necessary. The Figures of the previous years are given in brackets.

As per our report of even date attached for V. P. Mehta & Company Chartered Accountants

Vipul P. Mehta
Proprietor
Membership No. 35722

Mumbai, 6th April, 2010

Chairman & Managing Director

Wholtime Directors

Directors

Chief Financial Officer

Company Secretary & Manager Accounts

Jimmy W. Almeida

{ **Jyoti J. Almeida**
John W. Almeida

{ **Celina W. Almeida**
Ashwin P. Mehta
Mukund G. Diwan
Paresh N. Trivedi

S. Swaminathan

Sandeep Kutchhi

Mumbai, 6th April, 2010

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BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details

Registration No. State Code
 Balance Sheet Date
 Date Month Year

2. Capital raised during the Year(Amount in Thousands)

Public Issue Rights Issue
 Bonus Issue Private Placement

3. Position of Mobilisation and Deployment of funds (Amount in Rs. Thousands)

Total Liabilities Total Assets

Sources of funds

Paid-up Capital Reserves & Surplus
 Secured Loans Unsecured Loans
 Deferred Tax Liability

Application of funds

Net Fixed Assets Investments
 Net Current Assets Misc. Expenditure
 Accumulated Losses

4. Performance of Company (Amount in Rs. Thousands)

Turnover/Income (Net) Total Expenditure
 Profit/Loss before tax Profit/Loss after tax
 Earnings per share (Rs) . Dividend rate %
 (Annualised)

5. Generic Names of the principal products/Services of company (as per monetary terms)

Item Code No. . Product Description
 Item Code No. . Product Description
 Item Code No. . Product Description

As per our report of even date attached
for V. P. Mehta & Company
Chartered Accountants

Vipul P. Mehta
Proprietor
Membership No. 35722

Mumbai, 6th April, 2010

Chairman & Managing Director

Wholetime Directors

Directors

Chief Financial Officer

Company Secretary & Manager Accounts

Jimmy W. Almeida

{ **Jyoti J. Almeida**
John W. Almeida

{ **Celina W. Almeida**
Ashwin P. Mehta
Mukund G. Diwan
Paresh N. Trivedi

S. Swaminathan

Sandeep Kutchhi

Mumbai, 6th April, 2010

G. M. BREWERIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Current Year	(Rs. in '000) Previous Year
A. Cash Flow from Operating Activities		
Net Profit before tax	102,085	138,491
Adjustments for :		
Depreciation	36,269	32,083
Interest	19,818	18,955
Indirect Taxes	3,934,500	3,413,749
Dividend Received	(2)	(9)
Interest Received	(1,104)	(1,141)
Other Non-Operating Income	(758)	(462)
Operating Profit before Working Capital Changes	4,090,808	3,601,666
Adjustments for :		
(Increase) / Decrease in Trade and Other Receivables	(28,249)	(3,250)
(Increase) / Decrease in Inventories	(37,694)	(12,224)
Increase / (Decrease) Trade Payables	4,139	9,613
Cash generated from Operations	4,029,004	3,595,805
Direct Taxes paid	33,569	42,238
Indirect Taxes Paid	3,907,683	3,405,022
Net Cash from Operating Activities	87,752	148,545
B. Cash Flow from Investing Activities :		
Increase in Fixed Assets	(62,718)	(104,983)
Interest Received	1,104	473
Dividend Received	2	9
Other Non-Operating Income	758	462
Net Cash (used in) / from Investing activities	(60,854)	(104,039)
C. Cash Flow from Financing Activities		
Increase/(Decrease) in Long Term Borrowings	42,197	(946)
Increase/(Decrease) in Short Term Borrowings	(3,415)	1,315
Interest Paid	(19,818)	(18,873)
Dividend Paid	(18,208)	(22,742)
Tax on distributed profits	(3,181)	(3,976)
Net Cash (used in) / from Financing activities	(2,425)	(45,222)
D. Net changes in Cash and Cash Equivalents (A+B+C)	24,473	(716)
E. Cash and Cash Equivalents at beginning of the Period	8,631	9,347
F. Cash and Cash Equivalents at End of the Period	33,104	8,631

As per our report of even date attached for V. P. Mehta & Company Chartered Accountants

Vipul P. Mehta
Proprietor
Membership No. 35722

Mumbai, 6th April, 2010

Chairman & Managing Director

Wholetime Directors

Directors

Chief Financial Officer

Company Secretary & Manager Accounts

Jimmy W. Almeida

{ **Jyoti J. Almeida**
John W. Almeida

{ **Celina W. Almeida**
Ashwin P. Mehta
Mukund G. Diwan
Paresh N. Trivedi

S. Swaminathan

Sandeep Kutchhi

Mumbai, 6th April, 2010



G. M. BREWERIES LIMITED

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

PROXY FORM

ANNUAL GENERAL MEETING

No. of Shares held _____
Regd. Folio No. _____
D. P. ID No. _____
Client ID No. _____

I/We _____ of _____
being a Member/Members of **G. M. BREWERIES LTD.** hereby appoint _____
_____ of _____ as my/our **proxy** to vote for me/us on my/our behalf at the
ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 6th May, 2010 and at any
adjournment there of.

Signed on this _____ day of _____ 2010

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

27th Annual General Meeting - 6th May 2010

I hereby record my presence at the **TWENTY SEVENTH ANNUAL GENERAL MEETING** of the Company held
at **Joshi's Kohinoor Hall, 3rd Floor, S. Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025.** on Thursday, the 6th
of May, 2010 at 11.30 a.m.

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

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

DP ID No. _____ Client ID No. _____

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

Member's / Proxy's Signature _____

Book-Post

Mr./Mrs. _____

If not delivered, please return to :

G. M. BREWERIES LIMITED

Regd. Office :

Ganesh Niwas, S. Veer Savarkar Marg,

Prabhadevi, Mumbai - 400 025.