



# G. M. Breweries Limited

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

Phone : 2422 9922/2433 1150/2433 1151/2437 1805/2437 1841/2438 5540/2438 5541

Email : gmb1@gmbreweries.com • Website : www.gmbreweries.com • CIN: L15500MH1981PLC025809

GMBL/SEC/387/2020-2021

June 23 2020

The Manager,  
Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G,  
Bandra-Kurla Complex,  
Bandra(E), Mumbai,  
400 051

SECURITY CODE:GMBREW

**Sub: Audited Financial Results for the year ended 31<sup>st</sup> March, 2020**

Dear Sir,

Kindly find enclosed here with audited financial results of our company for the quarter / year ended March 31, 2020. The same has been approved by the Board of Directors in their meeting held on June 23, 2020 at 11.00 a.m.

Thank you,

For G.M.Breweries Ltd.

Sandeep Kutchhi  
Company Secretary & Manager Accounts

Encl: As Above



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## Audited Financial results for the quarter/ year ended March 31, 2020

(Rs.In Lakhs)

Particulars	Audited	Unaudited	Audited	Audited	Audited
	Quarter Ended 31.03.2020	Quarter Ended 31.12.2019	Quarter Ended 31.03.2019	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>Revenue from operations</b>					
a) Sales / Income from operations (inclusive of Excise Duty, VAT & TCS)	39,754	42,915	43,777	168,134	170,461
b) Other operating revenue	-	12	3	12	12
<b>Total Revenue from Operations</b>	<b>39,754</b>	<b>42,927</b>	<b>43,780</b>	<b>168,146</b>	<b>170,473</b>
Other Income	683	58	851	931	1,362
<b>Total Income</b>	<b>40,437</b>	<b>42,985</b>	<b>44,631</b>	<b>169,077</b>	<b>171,835</b>
<b>Expenses</b>					
a) Cost of Materials Consumed	8,059	8,786	8,081	33,852	30,944
b) Purchase of stock in trade	-	-	-	-	-
c) Changes in inventories of finished goods, work in progress and stock in trade	(155)	200	(276)	8	(222)
d) Employee benefits expenses	287	291	315	1,083	1,061
e) Excise Duty, VAT & TCS	28,856	30,953	32,043	121,271	124,060
f) Finance Cost	2	1	1	5	7
g) Depreciation and amortisation expenses	178	183	283	729	733
h) Other Expenditure	825	704	825	3,050	2,931
<b>Total Expenses</b>	<b>38,052</b>	<b>41,118</b>	<b>41,272</b>	<b>159,998</b>	<b>159,514</b>
<b>Profit from continuing operation before exceptional item and tax</b>	<b>2,385</b>	<b>1,867</b>	<b>3,359</b>	<b>9,079</b>	<b>12,321</b>
Exceptional item	-	-	-	-	-
<b>Profit from continuing operations before tax</b>	<b>2,385</b>	<b>1,867</b>	<b>3,359</b>	<b>9,079</b>	<b>12,321</b>
Tax expenses ( Current & Deffered Taxes)	609	469	927	2,293	4,058
<b>Profit for the period</b>	<b>1,776</b>	<b>1,398</b>	<b>2,432</b>	<b>6,786</b>	<b>8,263</b>
Other comprehensive income net of taxes	299	(18)	14	233	(179)
<b>Total Comprehensive Income</b>	<b>2,075</b>	<b>1,380</b>	<b>2,446</b>	<b>7,019</b>	<b>8,084</b>
Earning Per share of Rs.10 each , Basic & Diluted	9.71	7.65	13.30	37.12	45.21



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## NOTES:

- 1) The aforesaid results have been reviewed by audit committee and taken on record by the Board of Directors at its meeting held on June 23, 2020.
- 2a) The drop in PBT during the current year in comparison to corresponding immediate previous year is mainly attributed to unprecedented rise in the cost of company's main raw material namely rectified spirit. The net impact on account of increase in the average price of the rectified spirit approx Rs.28.77 Crores.
- 2b) The drop in PBT during the current quarter in comparison to corresponding quarter of the immediate previous year is mainly attributed to unprecedented rise in the cost of company's main raw material namely rectified spirit. The net impact on account of increase in the average price of the rectified spirit was approx Rs.5.98 Crores.
- 3) Provision for taxation includes provision for current tax and deferred tax. ( Current Tax (Rs.23.50 Crores) & Deferred Tax Rs.(-0.57Crores)).
- 4) The company's operation at present is confined to only one segment namely Country Liquor.
- 5) The Board of Directors of the company has proposed for the approval of shareholders a dividend of Rs.3 per equity share of Rs.10 each.
- 6) Figures of previous year/period have been regrouped, wherever necessary.
- 7) The figures of the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between audited figures in respect of full financial year ended March 31, 2020 and March 31, 2019 and the unaudited published year to date figures up to the third quarter of the respective financial year.



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## 8) Balance sheet

	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>		
<b>Non Current Assets</b>		
a) Property, Plant and Equipment	6,199.24	6,716.87
b) Capital Work- In- Progress	2,606.33	4,767.49
c) Investment Property	9,704.46	7,230.11
d) Other Intangible Assets	0.37	1.49
e) Financial Assets		
-Non Current Investments	22,598.44	16,278.20
-Other Non Current Financial Assets	13.82	1,931.46
f) Non Current Tax Assets (Net)	-	89.20
g) Other non-current assets	1,077.01	1,062.66
<b>Total Non Current Assets</b>	<b>42,199.67</b>	<b>38,077.48</b>
<b>Current Assets</b>		
a) Inventories	2,056.89	1,774.34
b) Financial Assets		
-Trade receivables	96.92	213.41
-Cash and cash equivalents	33.75	51.66
-Other Bank Balances	2,121.81	60.29
c) Other Current Assets	1,874.22	2,177.14
<b>Total Current Assets</b>	<b>6,183.59</b>	<b>4,276.84</b>
<b>Total Assets</b>	<b>48,383.26</b>	<b>42,354.32</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
a) Equity Share Capital	1,828.60	1,828.60
b) Other Equity	41,210.15	34,853.45
<b>Total Equity</b>	<b>43,038.75</b>	<b>36,682.05</b>
<b>Liabilities</b>		
<b>Non Current Liabilities</b>		
Deferred Tax Liabilities	358.48	415.28
Other non current liabilities	26.86	23.40
<b>Total Non Current Liabilities</b>	<b>385.34</b>	<b>438.68</b>
<b>Current Liabilities</b>		
a) Financial Liabilities		
-Trade payables	1,108.81	450.45
-Other current financial liabilities	74.00	104.50
b) Other Current Liabilities	3,618.60	4,620.57
c) Provisions	84.00	58.07
d) Current Tax Liabilities (Net)	73.76	-
<b>Total Current Liabilities</b>	<b>4,959.17</b>	<b>5,233.59</b>
<b>Total Liabilities</b>	<b>5,344.51</b>	<b>5,672.27</b>
<b>Total Equities and Liabilities</b>	<b>48,383.26</b>	<b>42,354.32</b>

For G M Breweries Limited

Mumbai  
June 23, 2020

Jimmy Almeida  
Chairman & Managing Director



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G.M.BREWERIES LIMITED		
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020		
Particulars	Current Year 2020	Previous Year 2019
<b>Cash Flow from Operating Activities</b>		
Net Profit before tax	9,078.21	12,320.16
<b>Adjustments for :</b>		
Depreciation	728.51	733.07
Finance Cost	5.16	7.12
Indirect Taxes paid	121,271.48	124,060.49
Dividend Received	(398.85)	(300.16)
Interest Received	(893.19)	(782.35)
Other Non-Operating Income	349.31	(291.00)
<b>Operating Profit before Working Capital Changes</b>	<b>130,140.63</b>	<b>135,747.33</b>
<b>Adjustments for (Increase)/decrease in operating assets:</b>		
Trade Receivables	116.49	(126.01)
Inventories	(282.55)	(612.28)
Other Financial Assets- Non Current	1,917.64	(129.78)
Other Current Assets	302.92	32.25
Other Non Current Assets	(14.35)	(502.00)
<b>Adjustments for increase/(decrease) in operating liabilities:</b>		
Trade Payables	173.82	(49.78)
Other non current liabilities	3.46	-
Other Current Liabilities	(1,001.97)	(8.10)
Other financial liabilities - Current	(30.50)	(24.10)
<b>Cash generated from Operations</b>	<b>131,325.59</b>	<b>134,327.53</b>
Direct Taxes Paid	2,175.00	4,140.00
Indirect Taxes Paid	121,271.48	124,060.49
<b>Net Cash from Operating Activities (A)</b>	<b>7,879.11</b>	<b>6,127.04</b>
<b>Cash Flow from Investing Activities</b>		
Increase/Decrease in Property, Plant and Equipment including Capital Advances	2,679.91	317.12
Increase/Decrease in Investment Property	(2,474.35)	(2,713.61)
Increase/Decrease in Financial Assets- Investments	(6,320.24)	(5,509.35)
Redemption/ (Purchase) of Fixed Deposits (with Maturity more than three months)	(2,058.86)	787.01
Interest Received	893.19	782.35
Dividend Received	398.85	300.16
Other Non-Operating Income	(349.31)	291
<b>Net Cash (used in)/from Investing activities</b>	<b>(7,230.81)</b>	<b>(5,745.32)</b>
<b>C. Cash Flow from Financing Activities</b>		
Interest / financial charges Paid	(5.16)	(7.12)
Dividend Paid	(548.33)	(438.66)
Dividend Tax paid	(112.72)	(89.32)
<b>Net Cash (used in)/from Financing activities</b>	<b>(666.21)</b>	<b>(535.10)</b>
<b>D. Net Changes in Cash and Cash Equivalents (A+B+C)</b>	<b>(17.91)</b>	<b>(153.38)</b>
<b>E. Cash and Cash Equivalents at beginning of the Period</b>	<b>51.66</b>	<b>205.04</b>
<b>F. Cash and Cash Equivalents at End of the Period</b>	<b>33.75</b>	<b>51.66</b>

For G M Breweries Limited

Mumbai  
June 23, 2020

Jimmy Almeida  
Chairman & Managing Director



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June 23, 2020

The Manager,  
Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G,  
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Bandra(E), Mumbai,  
400 051

**Sub : Auditors Report for the Year ended March 31, 2020.**

Dear Sir,

Kindly find enclosed here with Auditors Report for the Year ended March 31, 2020.

Thank you

for G.M.BREWERIES LTD.

Sandeep Kutchhi  
Company Secretary & Manager Accounts

Encl : As Above

PRITI V. MEHTA  
B.COM.(HONS), F.C.A.  
Proprietor



**PRITI V. MEHTA & COMPANY**

**CHARTERED ACCOUNTANTS**

601/602, SURYA HOUSE,  
6TH FLOOR, ROAD NO.7,  
SHREE GOLVALKAR GURUJI MARG,  
VIDYAVIHAR (EAST), MUMBAI - 400077.

T : 022-25011046 / 47  
E : mehtavipulp@gmail.com  
mehtapritiv@gmail.com

## **Independent Auditor's Report**

**To the Members of M/s. G M Breweries Limited**

**Report on the Standalone Financial Statements**

### **Opinion**

We have audited the standalone financial statements of G M Breweries Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by The Companies Act, 2013 ("The Act") in the manner so required and give a true and fair view in conformity with the Indian accounting standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("INDAS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the independent requirement that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on standalone financial statements.



## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## **Emphasis of Matter**

### **Effects of COVID-19**

We draw the attention to notes no.2.2(a),(c),(d),(e), & (g) of notes forming part of the financial statements which describes the economic and social disruption the entity is facing as a result of COVID-19 which is impacting supply chains, consumer demand, financial markets, personnel available for work and office staff unable to access offices due to travel restrictions. On the basis of assessment of the impact of the outbreak of COVID-19 on business operations of the company, the management has concluded that no adjustments are required in the financial statements as it does not impact the current financial year. However, the situation with COVID-19 is still evolving. Also, the various preventive measures taken such as lockdown restrictions by the Government of India, travel restrictions etc. are still in force, leading to a highly uncertain economic environment. Due to these circumstances, the management's assessment of the impact on the subsequent period is dependent on the circumstances as they will evolve.

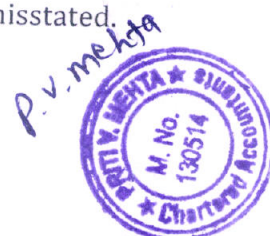
Our opinion is not modified in respect of the matters described under paragraph above.

## **Information other than standalone financial statements and Auditors report thereon**

The company's Board of Directors are responsible for the preparation of the other information. The other information comprises of the other information included in the management discussion and analysis, Boards report including annexure to Boards Report, Corporate Governance and Shareholders information, but does not include the standalone financial statements and our auditors report thereon.

Our opinion on standalone financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the standalone financial statement, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the standalone financial statement or other information obtained during the course of our audit or otherwise appear to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



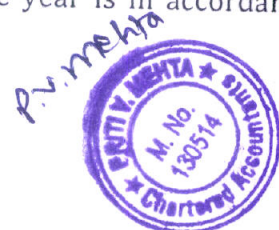
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 purposes 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 including other comprehensive income, the statement of change in equity, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone 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 the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 st March, 2020 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 the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.



- h) 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:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - ii. 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.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For and on behalf of  
Priti V Mehta & Company  
Chartered Accountants  
Firm Regn.No:129568W

*P.V. Mehta*

Priti V. Mehta  
Proprietor  
M. No.130514



Mumbai  
June 23, 2020

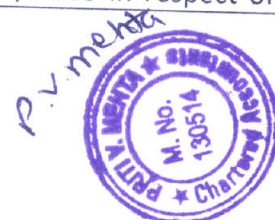
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**G M Breweries Limited**

**“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 standalone Ind AS financial statements of the Company for the year ended March 31<sup>st</sup> 2020:

Sr. No.	Particulars
(i)	In Respect of its Fixed Assets:
	(a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
	(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.
	(c) the title deeds of immovable properties are held in the name of the company.
(ii)	In Respect of its inventory:  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.
(iii)	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.
(iv)	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.
(v)	According to information and explanations given to us the company has not accepted any deposits during the year.
(vi)	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.
(vii)	According to the information and explanations given to us, in respect of statutory dues:
	(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.
	(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 31,2020 for period of more than six months from the date they became payable.
(viii)	The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
(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.

Mumbai

June 23, 2020



For Priti V.Mehta & Company.  
Chartered Accountants  
Firm's registration number: 129568W

*P.V. Mehta*

Priti .V. Mehta  
Proprietor  
Membership number: 130514

**“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE IND AS 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, 2020 in conjunction with our audit of the standalone Ind AS 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, 2020, 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 Priti V.Mehta & Company  
Chartered Accountants  
Firm's Registration No.129568W

*P.V.Mehta*  
Priti V.Mehta  
Proprietor



Membership No. 130514

Mumbai  
June 23, 2020



# *G. M. Breweries Limited*

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

Phone : 2422 9922/2433 1150/2433 1151/2437 1805/2437 1841/2438 5540/2438 5541

Email : gmb1@gmbreweries.com • Website : www.gmbreweries.com • CIN: L15500MH1981PLC025809

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June 23, 2020

Listing Department  
BSE Limited  
Phoroze Jeejeebhoy towers,  
Dalal Street,  
Mumbai 400001

Listing Department  
National Stock Exchange Limited  
Exchange Plaza, C-1, Block -G,  
Bandra Kurla Complex,  
Mumbai 400051

Sub: Declaration for unmodified opinion in respect of audited standalone financial results of the company for the financial year ended March 31, 2020

Sir,

Pursuant to regulation 33 of SEBI (Listing Obligations and disclosure requirements) regulations, 2015, SEBI circular no. CIR/CFD/CMD/56/2016 dated May 27, 2016 the company herein declares unmodified opinion in respect of audit report for standalone financial results of the company for financial year ended March 31, 2020.

Thank you

For G M Breweries Limited

Jimmy Almeida  
Chairman & Managing Director