

15TH
ANNUAL REPORT
2008 - 2009



GRM OVERSEAS LIMITED



**15TH ANNUAL
GENERAL MEETING**

Day : Wednesday
Date : 9th September, 2009
Time : 9.30 A.M.
Venue : **GRM OVERSEAS LIMITED**
219-A, Rama Market,
Pitampura, Delhi - 110034

BOARD OF DIRECTORS

Shri H. C. Garg
Chairman-cum-Mg. Director

Shri Rohit Garg
(Whole-time Director)

Shri Chetan Kapoor
Director

Shri Vikram Malik
Director

COMPANY SECRETARY

Shri Raj Kumar Arora

BANKERS

State Bank of India
Spl. Comm. Br.
G.T. Road, Panipat

AUDITORS

M/s Shashi Chadha & Co.
Chartered Accountants
579-A, Model Town,
Panipat – 132 103.

REGISTERED OFFICE

GRM OVERSEAS LIMITED
219-A, Rama Market,
Pitampura,
Delhi – 110 034.

WORKS

GRM OVERSEAS LIMITED
Gohana Road, Near Sugar Mill,
Panipat – 132 103 (Haryana)

REGISTRAR & SHARE TRANSFER AGENTS

ABHIPRA CAPITAL LTD.
BM - 1, Abhipra Complex,
Dilkhush Inds. Estate,
A-387, G. T. Karnal Road,
Azadpur, Delhi - 110 033

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NOTICE

Notice is hereby given that the 15th Annual General Meeting of the Company will be held as under:

Day : Wednesday
Date : 9th September, 2009
Time : 9:30 A.M.
Venue : 219-A, Rama Market Pitampura,
Delhi – 110 034.

to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2009, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date and the Reports of the Directors' and Auditors' thereon.
2. To declare dividend on Equity Shares for the financial year ended on March 31, 2009.
3. To appoint a Director in place of Shri Chetan Vapoor who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Vikram Malik who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s SHASHI CHADHA & CO., Chartered Accountants, Statutory Auditors to hold office from the conclusion of this meeting until the Next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 350 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to such approvals, if any, as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Shri Hukam Chand Garg, as Chairman cum Managing Director for a further period of 5 years w.e.f. 5th January 2010 on the terms and conditions as set out in the Explanatory Statement attached to this Notice and hereby approved, with liberty to the Board of Directors to revise the terms as to remunerations, from time to time, in consultation with and / or recommendation of the Remuneration Committee, within the limits provided for in the said Schedule XIII or any amendments thereto.
7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the members be and is hereby accorded to the Board of Directors of the Company to sell, lease or otherwise dispose of the whole or substantially the whole, of the undertaking of the Company or where the Company owns more than one undertaking of the whole, or substantially the whole of any such undertaking and to create mortgage/charge/hypothecation in any manner whatsoever on all or any of the immovable and movable properties of the Company present and future, of the whole or substantially the whole of the undertaking of the Company, ranking pari-passu or otherwise and/or second and/or subservient and/or advances and /or guarantees and/or any financial assistance obtained or may be obtained from Financial Institution(s), Bank(s) or machinery suppliers and/or any other persons or institutions providing finance for purchase of assets and/or for the business of the Company or for working capital or for purchase of specific items of machinery and equipments under any deferred payment scheme or bills discounting scheme or in favour of trustees for Debenture holders/Bondholders/ FCCB holders that may be appointed hereafter, as security for the Debentures/Bonds/FCCBs that may be issued by the Company, on such terms and conditions and at such times and in such form and manner as the Board of Directors may deem fit, so that the total outstanding amount at any time so secured, as provided herein, shall not exceed the aggregate of the amounts of Rs.250 Crores (Rupees Two Hundred Fifty Crores) at any one time.



RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to and cause to prepare, finalise, approve and execute on behalf of the Company with the lenders, banks, machinery suppliers, persons, institutions and trustees for the Debenture/Bond/FCCB holders, the documents, deeds, agreements, declarations, undertakings and writings as may be necessary and expedient for giving effect to the foregoing resolution and also to delegate all or any of the above powers to the Committee of Directors or the Managing Director or the Director or the Principal officer of the Company."

8. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution:-**

"RESOLVED THAT pursuant to the provisions of Section 293 (1) (d) and all other applicable provisions, if any, of the Companies Act, 1956, consent of the members be and is hereby accorded to the Board of Directors of the Company to borrow in any manner from time to time any sum or sums of moneys at its discretion on such terms and conditions as the Board of Directors may deem fit, notwithstanding that the moneys to be borrowed by the Company together with the moneys already borrowed (apart from temporary loans obtained from the Company's Banker in the ordinary course of business) from the Financial Institutions, Company's Bankers and/or from any person(s), firm(s), bodies corporate whether by way of loans, advances, deposits, bill discounting, issue of debentures, bonds or any other financial instruments or otherwise and whether secured or unsecured which may exceed the aggregate of the paid-up Capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of money so borrowed by the Board and outstanding at any one time shall not exceed the sum of Rs.250 Crores(Rupees Two Hundred Fifty Crores only).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and also to delegate all or any of the above powers to such Committee of Directors or the Managing Director or the Director or the Principal officer of the Company and further to do all such acts, deeds and things incidental thereto and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

By Order of the Board

New Delhi
June 30, 2009

ROHIT GARG
Whole-time Director

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 4, 2009 to Wednesday, September 9, 2009(both days inclusive). Dividend, if declared at the AGM shall be payable to those Members whose name will appear on Register of Members of the Company and/or the Register of beneficial owners maintained by the depositories (National Securities Depositories Limited and Central Depositories Services (India) Ltd.) as at the close of business hours on Thursday, September 3, 2009.
3. Members are requested to bring their copies of the annual report to the annual general meeting.
4. The members / proxies should bring the attendance slip duly filled in and signed for attending the meeting.
5. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no.6 to 8 is annexed hereto.



6. Information pursuant to Clause 49 of the Listing Agreement(s) pertaining to the Directors proposed to be re-appointed vide item Nos. 3,4 & 6 of the Notice, are as follows:

S. No.	Particulars	Shri Chetan Kapoor	Shri Vikram Malik	Shri Hukam Chand Garg
1.	Date of Birth	19.11.1976	19.04.1978	14.09.1943
2.	Date of Appointment	31.03.2003	31.03.2007	03.01.1995
3.	Qualification	B.Com.	B.Com.	Dip. Electrical Engg.
4.	Expertise in specific functional area	Please refer Corporate Governance Report 2008-09.	Please refer Corporate Governance Report 2008-09.	Please refer Corporate Governance Report 2008-09.
5.	Directorship held in other Public Companies*	Nil	Nil	Nil
6.	Membership/ Chairmanship of Committees**	Nil	Nil	Nil
7.	No. of Equity Shares held in the Company	Nil	Nil	16,26,200
8.	Relationship with other directors	N.A.	N.A.	Father-Son relation with Shri Rohit Garg

*excluding Foreign & Private Limited Companies.

**Includes only Audit and Shareholders/Investor Grievance Committee other than the GRM Overseas Ltd.

ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT:

Item No.6

Mr. Hukam Chand Garg, being an existing Chairman-cum-Managing Director of the Company has been re-appointed as Chairman cum Managing Director of the company for a further period of 5 (Five) years w.e.f. January 5, 2010 by the Board of Directors in their meeting held on June 30, 2009, subject to the approval of the shareholders.

Mr. Hukam Chand Garg has vast experience relating to rice industry and he is capable of handling his responsibilities very efficiently. Keeping in view his expertise in the field the Board of Directors has recommended his re-appointment as Chairman cum Managing Director of the Company. The terms and conditions of re-appointment of Mr. Hukam Chand Garg are as under:

1. Period : Period of Appointment is 5 (Five) years with effect from January 5, 2010.
2. Salary : Rs.80,000/- p.m. including Dearness and all other allowances.
3. In addition to Salary the following perquisite will be provided as per the Rules of the Company.
 - (i) **Housing** : The expenditure by the Company on hiring furnished accommodation for the Chairman cum Managing Director will be subject to the following ceiling : 60% of the Salary, over and above 10% payable by the Chairman cum Managing Director.
 - (ii) **Medical Reimbursement** : Re-imbursement of actual expenses incurred for self and family subject to the ceiling of one month salary in a year or three salaries over a period of three years.
 - (iii) **Leave Travel Concession** : Leave Travel expenses for self and family once in a year incurred to and from any place in India in accordance with rules of the Company.
 - (iv) **Club Fee** : Reimbursement of fees of not more than two clubs. This will not include admission and life Membership Fees.
 - (v) **Personal Accident Insurance** : Personal Accident Insurance cover as applicable in line with the rules & policies of the Company.



In addition to above he shall also be entitled to following perquisites:

- (a) Contribution to Provident Fund, Superannuation fund or annuity fund to the extent that these either singly or put together are not taxable under the Income tax Act, 1961.
- (b) Gratuity at a rate not exceeding half a month salary for each completed year of service.
- (c) Encashment of Leave at the end of the tenure.
- (d) Car with Driver as per the rules of the company.
- (e) Reimbursement of entertainment, traveling and all other expenses incurred for the business of the Company.

The company stands to gain considerably by the re-appointment of Mr. Hukam Chand Garg as Chairman cum Managing Director of the Company in view of his experience and expertise and the Directors recommend the resolution set out in this item No.6 of the accompanying notice for your approval.

Mr. H. C. Garg and Rohit Garg is deemed to be interested in the resolution as they are relatives to each other and Mr. H. C. Garg is further interested in the resolution as it relates to his appointment.

None of the other directors are concerned or interested in the proposed resolution.

Item No.7

Looking at the ongoing projects/Capital expenditure(s)/providing security and/or projects may be undertaken by the Company in future, the Company proposes to make further borrowings from Bank(s), consortium of Banks, Financial Institutions and other lenders which shall be secured by creation of charge on immovable and movable properties of the Company relating to its one or more undertaking(s).

The Board of Directors of the Company recommend for your consent under Section 293(1)(a) of the Companies Act, 1956, by way of Ordinary Resolution, for mortgage of the Company's assets to secure the borrowings made or to be made by the Company from time to time.

The resolution at item No. 7 is therefore, recommended for your approval. None of the Director is concerned or interested in the above said resolution.

Item No.8

Section 293 (1) (d) of the Companies Act, 1956 provides that the Board of Directors of a Public Company shall not without the consent of the Company in General Meeting borrow any sum or sums of money from time to time which together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Banker in the ordinary course of business) may exceed at any time the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

To take into account the present ongoing projects/capital expenditure(s)/providing security and foreseeing the future volume of the Company's business activities and the likely requirement of funds it has become desirable to obtain the consent of the Shareholders authorising the Board or any Committee thereof to borrow at any point of time within the borrowing limits of Rs. 250 Crores (apart from temporary loans from the Company's Bankers in the ordinary course of business).

The Board of Directors of the Company recommend for your consent under Section 293(1)(d) of the Companies Act, 1956, by way of Ordinary Resolution, as set out in the Notice convening the meeting.

None of the Director is concerned or interested in the passing of this resolution.

By Order of the Board

New Delhi
June 30, 2009

ROHIT GARG
Whole-time Director

**DIRECTORS' REPORT****TO THE MEMBERS**

Your Directors have great pleasure in presenting the 15th Annual Report of the Company along with the Audited Accounts for the year ended 31st March 2009.

	(Rs. Lacs)	
FINANCIAL RESULTS	CURRENT YEAR (2008-2009)	PREVIOUS YEAR (2007-2008)
Profit before Depreciation & Finance Charges	896.94	674.41
Less : Finance Charges	334.93	353.59
Less : Depreciation	58.14	51.67
Net Profit after Depreciation & Finance Charges	503.87	269.15
Provision for Income Tax, Deferred Tax & Dividend Tax	189.73	110.27
APPROPRIATIONS		
Transferred to Profit & Loss Account	240.35	85.09
Provision for Dividend	73.79	73.79

EXPANSION PROGRAMME

Company has set up the plant & machinery at Village Naultha Dist. Panipat and incurred Rs. 55 Lacs on Building and Rs. 530 Lacs on Plant & Machinery upto March 31, 2009. Company has also applied for subsidy of Rs. 50 Lacs under the scheme of Ministry of Food Processing of India.

DIVIDEND

Your Directors' are pleased to recommend Dividend @20% (i.e. Rs.2/- per Equity Share) for the financial year ended on 31st March 2009, to all those shareholders whose name appears in the register of members of the Company as on Record Date fixed in this regard.

CURRENT YEAR WORKING

Your Directors hereby inform you that in the current year the overall performance of the company has been improved substantially and in the current year also all efforts shall be made to further accelerate its' pace of growth and overall performance.

DISCLOSURE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

The Equity Shares of the company are listed at the Bombay Stock Exchange Ltd.(BSE). The Annual Listing Fees has already been paid to BSE.

DIRECTORS

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, 1956, Mr. Chetan Kapoor & Mr. Vikram Malik, Directors of the Company, retire by rotation at the ensuing Annual General Meeting & being eligible offers themselves for re-appointment and the Board recommends their re-appointment.

The term of office of Shri H.C. Garg, Chairman cum Managing Director of the Company will expire on January 4, 2010. The Board of Directors at its meeting held on June 30, 2009, approved the re-appointment of Shri H.C. Garg for a further period of 5 years effective from January 5, 2010. The Shareholders are requested to consider the re-appointment of Shri H.C. Garg at the ensuing AGM.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that :



1. All the applicable accounting standards have been followed in the preparation of the accompanying accounts and that there are no material departures;
2. They have selected such Accounting Policies and applied them consistently and made judgments and estimates that are 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 on March 31, 2009 and of the Profit of the Company for the said period;
3. They have taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. They have prepared the Annual Accounts on a going concern basis.

AUDITORS

The Auditors M/S SHASHI CHADHA & CO., Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

PUBLIC DEPOSITS

During the period under review, your company has not accepted any Fixed Deposit from the Public within the meaning of section 58(A) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

None of the employees of your company is covered under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, is annexed and forms part of this report.

MANAGEMENT DISCUSSION ANALYSIS & CORPORATE GOVERNANCE REPORT

In terms of the Listing Agreement, Separate detailed chapters on Management Discussion and Analysis Report and a report on Corporate Governance along with the Auditor's Certificate are annexed and forms part of the Annual Report.

ACKNOWLEDGEMENT

Your Directors gratefully acknowledge the assistance received from the Company's Banker viz; State Bank of India for its continuous co-operation & support. Your Directors are pleased to place on record their deep appreciation, for the co-operation & support received from its valued customers, foreign buyers and also the hard, sincere and devoted efforts being made by executives, staff and workers at all levels of the company.

By Order of the Board

New Delhi
June 30, 2009

H. C. GARG
Chairman cum Managing Director

**ANNEXURE TO THE DIRECTORS' REPORT**

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2009.

(1) Conservation of Energy

Regular preventive maintenance of all Plant & Machinery is carried out to enhance productivity and efficiency of Machineries resulting in considerable power saving.

	CURRENT YEAR 2008-2009	PREVIOUS YEAR 2007-2008
A. POWER AND FUEL CONSUMPTION		
a) Purchase units	3931059.00	3603776.00
Total Amount (Rs.)	18110765.00	16374954.00
Rate/Unit (Rs.)	4.61	4.54
b) Own Generation		
Through Diesel Generator		
Units (approx.)	1304632.00	1301940.00
Cost of Fuel	11635228.00	10597740.00
Cost/Units (Rs.)	8.92	8.14
B. CONSUMPTION PER UNIT (M.T.) OF PRODUCTION		
Production Unit (M.T.)	24233.59	26277.39
Electricity	5235691.00	4905716.00
(II) TECHNOLOGY ABSORPTION		
Continue to bring improvement in quality & processes.		
(III) RESEARCH AND DEVELOPMENT		
Specific Areas in which R & D carried out by the Company	None	None
Benefit derived as a result of the above R & D	None	None
Future plan of Action		
The Company would take R & D activities to improve quality and reduce cost by increasing cost efficiency at all levels.		
	CURRENT YEAR 2008-2009	PREVIOUS YEAR 2007-2008
(IV) FOREIGN EXCHANGE EARNING AND OUTGO		
Foreign Exchange Earnings (in Rs.)	2459535657.88	1625094159.00
Foreign Exchange Outgo	30342333.00	59230325.00

By Order of the Board

New Delhi
June 30, 2009

H. C. GARG
Chairman cum Managing Director



CORPORATE GOVERNANCE REPORT

In terms of the Listing Agreement, Management Discussion and Analysis Report is annexed and forms part of the Annual Report. A report on Corporate Governance along with the Auditors Certificate on its compliance also annexed forming part of the Annual Report.

1. COMPANY'S PHILOSOPHY

Company believes that fairness in corporate procedures, full disclosures in reporting system, total transparency in corporate culture, fiduciary and trustee relationship and maximization of share holders value in the long run are the pillars on which the structure of the corporate governance resets. The concept of corporate governance hinges on accountability, responsibility, and effective monitoring, quality of information, integrity, trust & confidence.

Company believes that a well-constituted and competent Board of Directors can alone efficiently adopt corporate governance framework of "Perspective, Plans, Policy, Processes, Productivity, Performance & People". The Board must effectively monitor the corporate resources comprising of "Men, Money, Machines, Material, Marketing, Management, and Motivation".

Company's philosophy is to provide colorless document for fair, unbiased, accurate, authentic and factual information in most concise and succinct manner to its shareholder, lenders, customers, bankers government and people at large.

2. BOARD OF DIRECTORS

The Board consists of the following:

(a) Promoter & Executive Directors: -

Shri Hukam Chand Garg aged 65 years is Chairman cum Managing Director and founder of the company, who holds a diploma in Electrical Engineering and has previously worked with Haryana State Electricity Board, he entered the rice business in 1974, when he established Garg Rice & General Mills, and has been in this trade since then. He has over 34 years of experience in rice processing and trade.

Shri Rohit Garg aged 36 years, is a commerce graduate from Delhi University. He has been actively involved in the family business of rice manufacturing since 1993. At present he is whole-time Director of the company and looks after the export marketing. His marketing skills and his contacts in the overseas markets will help the company in meeting its export target.

(b) Independent Executive Director: -

There has been no Independent Executive Director in the company.

(c) Independent Non-Executive Directors: -

Shri Chetan Kapoor, aged 33 years is a commerce graduate. He has in-depth knowledge of audit & accounts. He has been working as Software Engineer for last 13 years and has expertise knowledge of making software of different industries, especially rice industry.

Shri Vikram Malik, aged 31 years is a commerce graduate. He has vast experience of accounting procedures and has in-depth knowledge of handloom and rice industries. He has been engaged in the field of handloom industry for the last 9 years.

(d) Meetings:

Nine Board meetings were held during the year on 30-04-2008, 30-06-2008, 30-07-2008, 03-09-2008, 30-09-2008, 30-10-2008, 15-01-2009, 30-01-2009 & 24-03-2009 Last Annual General Meeting was held on 30-09-2008. The gap between any two meetings was less than 120 days. The annual general meeting and all the nine board meetings were attended by all the directors.

(e) Directors' Attendance and other directorship & membership/chairmanship:

The names and categories of the Directors on the Board, along with their attendance of Board Meetings held during the year and at last Annual General Meeting and the number of other directorship and chairmanship/



membership of committees of each Director in various Companies are given below:

S. No.	Name of Director, Design & (DIN No.)	Category	Inter-se relationships between directors		No. of Directorships in other Indian Companies*	No. of Memberships/ Chairmanships in other Board Committees**	No. of Board Meetings		Whether attended last AGM
			Related with	Relation			Held	Attended	
1.	Mr. Hukam Chand Garg, Chairman cum Mg. Director (00673276)	Promoter- Executive Non Independent	Mr. Rohit Garg	Son	Nil	Nil	9	9	Yes
2.	Mr. Rohit Garg, Whole-time Director (00673304)	Promoter- Executive Non Independent	Mr. H.C. Garg	Father	Nil	Nil	9	9	Yes
3.	Mr. Chetan Kapoor, Director (00672045)	Non- Executive Independent Director	Nil	Nil	Nil	Nil	9	5	Yes
4.	Mr. Vikram Malik, Director (00438494)	Non- Executive Independent Director	Nil	Nil	Nil	Nil	9	5	No

* Other directorships do not include private companies, Section 25 companies and companies incorporated outside India.

**includes only Audit Committee and Shareholders'/Investors' Grievance Committee of Public Limited Companies other than GRM Overseas Ltd.

(f) Information Supplied to the Board

The Board has complete access to all information with the Company. The following information is regularly provided to the Board as a part of the agenda papers well in advance of the Board Meetings or is tabled in the course of the Board meeting:

- Annual operating plans & budgets and any updates thereof.
- Capital budget and any updates thereof.
- Quarterly results for the Company and operating divisions and business segments.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Materially important show cause, demand, prosecution and penalty notices.
- Quarterly details of foreign exchange exposures and the steps taken by Management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

Apart from the above, the Board periodically reviews the compliance reports of all laws applicable to the Company.

(g) Code of Conduct

Board has laid down a Code of Conduct for all Board Members and Designated Executives of the Company. All the Board members and Designated Executives have affirmed compliance with the Code of Conduct. A Declaration signed by the Chairman cum Managing Director in this regard is given below:

"I hereby confirm that the Company has obtained from all the members of the Board and Senior Executives of the Company, affirmation that they have complied with the code of Ethics and business conduct framed for Directors and Senior Management Personnel in respect of the financial year 2008-09. H.C. Garg, Chairman cum Mg. Director."

**(h) Directors' Remuneration**

The remuneration of Managing Director and Whole-time Director is considered & recommended by the Board of Directors (including remuneration committee) without participation of interested directors and is approved by the shareholders in General meeting. The remuneration of Executive Director's is fixed with the ceiling limits prescribed by the Government under Schedule XIII of the Companies Act, 1956. However, no sitting fees is paid to any director of the Company for attending the meeting of the Board or any Committee thereof.

3. AUDIT COMMITTEE**(I) Constitution of Audit Committee**

Mr. Chetan Kapoor (Chairman of the Committee)	Non-executive Director
Mr. Vikram Malik	Non-executive Director
Mr. Rohit Garg	Whole-time Director

(II) Functions of the Committee

- Review of Annual Financial Statement before submission to the board especially with regard to the changes in accounting policies and practices, major accounting entries, significant adjustments arising out of audit, the going concern assumption, compliance with accounting standards, compliance with stock exchange & legal requirements concerning financial statements and related party transactions.
- Discussion with auditors regarding their observation on accounts.
- Review of Quarterly/yearly results before submission to the board.
- Discussion with auditors regarding adequacy & compliance of internal control system.
- Recommendation on appointment and removal of external auditor, fixation of audit fee, out of pocket expenses and payment of other services.
- Other compliances of companies Act and stock exchanges.

(III) Powers of the committee

- To investigate into any activity within its terms of reference.
- Full access to information contained in the company records.
- To seek information from any employees.
- Access to external professional advice.
- To bind the Board with its audit report on financial management.

(IV) Meetings

During the year 4 meetings of the audit committee were held and the same was attended by all the concerned Directors of the company.

4. SHAREHOLDERS' COMMITTEE**(I) Constitution of Shareholders'/Investors' Grievances Committee**

Mr. Rohit Garg (Chairman of the Committee)	Whole-time Director
Mr. Chetan Kapoor	Non Executive Director
Mr. Vikram Malik	Non Executive Director

Mr. Rohit Garg is the Compliance Officer to handle the grievances of the Shareholders'/ Investors.

The Committee specifically looks into redressal of shareholders' and Investors' complaints such as transfer of shares, non-receipt of shares, non-receipt of dividend declared, to ensure expeditious share transfer process and to review the status of investors' grievances.

During the year 7 meetings of the committee were held and the same was attended by all the concerned Directors of the Company.

(II) Shareholders' Matters

In compliance with SEBI Circular No.D&CC/FITTC/CIR-15/2002 dated 27.12.2002, the company has appointed M/s Abhipra Capital Ltd. BM-1, Abhipra Complex, Dilkhush Industrial Estate, A-387, G.T. Karnal Road, Azadpur,



Delhi – 110 033 as Registrar and Share Transfer Agent of the Company with effect from 15-07-2003, to look after and be responsible for the entire share registry and shareholders related matters of the company in Demat as well as physical mode. As on date no share transfer is pending. During the year 2008-2009, no complaint has been received from any Shareholder.

5. REMUNERATION COMMITTEE

(I) Constitution of Remuneration Committee

Mr. Vikram Malik (Chairman of the Committee)	Ind., Non Executive Director
Mr. Chetan Kapoor	Ind., Non Executive Director
Mr. Rohit Garg	Promoter, Executive Director

(II) Broad Terms of Reference:

- a) To review and decide the policy on specific remuneration package of Managing Director and Whole-time Director of the Company.
- b) To decide on any other matter as may be referred by the Board.

6. GENERAL BODY MEETING

Last three Annual General Body Meeting were held in Delhi at the Registered Office of the Company on 30-09-2006, 26-09-2007 and 30-09-2008 at 9.30 A.M., 9.30 A.M. and 9.30 A.M. respectively. All resolutions at these meetings were passed by show of hands. Special Resolution, wherever were passed with the requisite majority. There were no matters required to be dealt/passed by the Company through postal ballot, in any of the aforesaid meetings, as required under the provisions of Section 192A of the Companies Act, 1956. There is no matter proposed to be dealt/passed by the Company through postal ballot in the ensuing Annual General Meeting.

The Chairman of the Audit Committee was present at AGM on September 30, 2009 to answer the queries of the shareholders.

7. DISCLOSURES

There were no transactions of the company of material nature with related parties that may have potential conflict with the interest of the company at large. No penalties or stricture, were imposed on the company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

8. MEANS OF COMMUNICATION

Annual reports of the company are sent to each shareholders of the company. Half-yearly/Quarterly results are normally published in the Pioneer and Hari Bhoomi newspapers and copies thereof are sent to the Stock Exchanges as per Listing Agreement.

9. GENERAL SHAREHOLDER INFORMATION

A.G.M. Date, Time & Venue	: September 9, 2009 9.30 A.M., 219-A, Rama Market, Pitampura, Delhi-110034.
Financial Calendar	: a) 1st Quarter Results – By the end of July '09. b) 2nd Quarter Results – By the end of Oct., '09. c) 3rd Quarter Results – By the end of Jan., '10. d) 4th Quarter Results – By the end of April '10. (If opted for Audited Results then by June' 10)
Date of Book Closure	: September 4, 2009 to September 9, 2009 (both days inclusive)
Dividend Payment Date	: The Board recommended dividend of Rs. 2/- per Share. The Dividend shall be payable on or after September 9, 2009
Stock Exchange Listing	: Bombay Stock Exchange(BSE)
Stock Code	: 531449
ISIN	: INE192H01012
Market Price Data	:


Market Price Data & Performance Comparison:

Particulars	Apr08	May08	June08	July08	Aug08	Sep08	Oct08	Nov08	Dec08	Jan09	Feb09	Mar09
Low	15.00	19.05	20.20	18.25	25.45	24.40	20.85	18.00	17.40	14.05	14.75	17.00
High	21.07	24.55	21.25	27.05	29.40	26.95	24.20	22.90	17.40	16.55	17.06	18.70

Registrar & Transfer Agent

: M/s ABHIPRA CAPITAL LTD.
 BM-1 Abhipra Complex, Dilkhush Industrial Estate,
 A-387 G. T. Karnal Road, Azadpur Delhi – 110 033
 Compliance Officer : Mr. Jeewat Rai, email Id: jeewatrai@abhipra.com
 email Id: info@abhipra.com

Share Transfer System

: All orderly received transfers are processed
 & registered within 15 days.

Distribution of Share

: Directors and their relatives 2716200 - 73.62%

Holding as on 31.03.2009

: Body Corporate 6,400 – 0.17%
 Non Resident Indians 106400 – 2.88%
 Others 860500 – 23.33%

Nominal Value of Shares	No. of Share Holders	% of Total	Amount	% of Total
Upto Rs.5000	231	66.96	5,25,000	1.42
5001 to 10000	61	17.68	5,61,000	1.52
10001 to 20000	19	5.50	3,29,000	0.89
20001 to 30000	4	1.16	94,000	0.26
30001 to 40000	5	1.45	1,90,000	0.52
40001 to 50000	5	1.45	2,43,000	0.66
50001 to 100000	7	2.03	5,42,000	1.47
100001 and above	13	3.77	3,44,11,000	93.26
Total	345	100.00	3,68,95,000	100.00

Pending GDRs, ADRs etc.

: NIL

Plants Location

: 1. GRM Overseas Limited,
 Gohana Road, Near Sugar Mill,
 Panipat -132 103 (Haryana)
 2. GRM Overseas Limited,
 Gohana Road, Naultha
 Panipat – 132 103 (Haryana)

Correspondence Address of the Company

: GRM Overseas Ltd
 219-A, Rama Market
 Pitampura Delhi – 110 034

Regarding shares

: Abhipra Capital Ltd
 BM-1 Abhipra Complex
 Dilkhush Industrial Estate
 A-387 G. T. Karnal Road
 Azadpur Delhi – 110 033
 email Id: info@abhipra.com

Dematerialisation of Shares

: The Company's Equity Shares have been allotted ISIN: INE192H01012 both by NSDL & CDSL. 4,74,800 Equity Shares representing 7.91% of the paid-up Equity Capital of the Company have been dematerialized till 31.03.2009.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure & Developments – The year 2008 began with economic slow-down prevailing all over the world and this phenomena prevailed almost the whole Financial Year, however now the economy has started recovery in all the Sectors including the Industrial Sector. Your company has been able to successfully improve its position and has made a robust growth, if we compare with the previous years . At the same time, development of the ability to act with the speed and agility in harnessing these opportunities have been given high focus with better results.

Opportunities and Threats – Indian rice manufacturing companies continue to face stifling scenario, yet the capabilities and growth potential of your company are providing opportunities to acquire an increased market share. Despite an unfavorable business sentiment prevailing in the domestic as well as in the international market, the company has maintained its freshness, endurance and strength which are very much needed for sustainability and growth.

Internal Control System & their ability – The company has an adequate system of internal control implemented by the management towards achieving efficiency in operations, optimum utilization of resources and effective monitoring thereof and compliance with applicable laws. The system comprises as well-defined organization structure, pre determined authority levels and documented policy guidelines and manuals for delegation of authority. A qualified and independent audit committee of the Board of Directors reviews the internal audit reports and the adequacy of internal controls statements in this management discussion and analysis report are based upon the data available with the company and on certain assumptions having regard to the economic conditions, government policies, political developments etc. within and outside the country. The management does not guarantee the accuracy of the assumptions and the projected performance of the company in future.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBER OF GRM OVERSEAS LIMITED

We have examined the compliance of condition of corporate governance by GRM OVERSEAS LIMITED for the year ended on March 31, 2009, as stipulated in clause 49 of the listing agreement of the said company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statement 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 complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the shareholders/investors grievance committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **Shashi Chadha & Co.**
Chartered Accountants

New Delhi
June 30, 2009

CA. SHASHI KANT CHADHA
Prop.
M.No. 85777



AUDITOR'S REPORT

TO THE MEMBERS OF GRM OVERSEAS LIMITED.

1. We have audited the attached Balance Sheet of GRM OVERSEAS LIMITED as at 31st March 2009 and also the Profit & Loss Account for the year ended on that date annexed thereto and the 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 statements based on our audit.
2. 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 the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 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 Order.
4. Further to our comments in the Annexure referred to above, we report that:-
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the Directors as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereto 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 principals generally accepted in India
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - ii) in the case of the Profit & Loss Account, of the profit of the company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

for **SHASHI CHADHA & CO.**
Chartered Accountants

New Delhi
June 30, 2009

CA. SHASHI KANT CHADHA
Prop.
M.No. 85777

**ANNEXURE TO THE AUDITOR'S REPORT****(Referred to in paragraph 3 of our report of even date)**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of available information.
- (b) All the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to the book records.
- (iii) The company has not granted or taken any loan secured/ unsecured to / from Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause 4(iii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (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 particulars of contracts or arrangements that need to be entered into the register in pursuance of Section 301 of the Act have been so entered.
- (b) Based on the information and explanation given to us, it is our opinion that these transactions made in pursuance of contracts or agreements have been made at reasonable prices having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public during the year. Therefore, the provisions of clause (vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (vii) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) Pursuant to the Rules made by the Central Government the maintenance of cost records under section 209(1)(d) of Companies Act, 1956 is not statutory. The separate set of account books have not been maintained for cost accounting purposes but prima facie all the information necessary for the cost audit are contained in the financial books of account and records. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues as applicable to it.
- (b) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.



- (x) The accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to banks. The Company has not taken loans from financial institutions and has not issued debentures.
- (xii) According to the information and explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) The company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, paragraph 4(xiv) of the order is not applicable to the company.
- (xv) The company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised. The company has not raised any new term loans during the year.
- (xvii) According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.
- (xviii) During the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, the company has not issued any debentures during the year under audit.
- (xx) According to the information and explanations given to us, the Company has not raised any money by public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

for **SHASHI CHADHA & CO.**
Chartered Accountants

New Delhi
June 30, 2009

CA. SHASHI KANT CHADHA
Prop.
M.No. 85777


BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	SCHEDULES	AS AT 31.03.2009 (Rupees)	AS AT 31.03.2008 (Rupees)
A. SOURCES OF FUNDS			
1. SHARE HOLDERS' FUNDS :			
SHARE CAPITAL	A	36,895,000.00	36,895,000.00
RESERVE & SURPLUS	B	182,874,841.83	153,890,413.55
		<u>219,769,841.83</u>	<u>190,785,413.55</u>
2. LOAN FUNDS			
SECURED LOANS	C	379,943,301.64	428,213,230.64
TOTAL		<u><u>599,713,143.46</u></u>	<u><u>618,998,644.19</u></u>
B. APPLICATION OF FUNDS			
1. FIXED ASSETS			
GROSS BLOCK	D	220,146,218.36	131,209,260.58
2. INVESTMENTS	E	2,020,500.00	2,020,500.00
3. CURRENT ASSETS, LOANS & ADVANCES			
INVENTORIES	F	396,392,405.00	454,341,260.00
SUNDRY DEBTORS	G	44,835,862.09	43,999,957.17
CASH & BANK BALANCES	H	7,203,032.61	18,953,003.18
OTHER CURRENT ASSETS	I	21,842,020.39	35,195,439.19
LOANS & ADVANCES	J	1,905,165.70	1,475,748.46
		<u>472,178,485.79</u>	<u>553,965,408.00</u>
LESS : CURRENT LIABILITIES	K	94,632,060.69	68,196,524.39
NET CURRENT ASSETS		<u>377,546,425.10</u>	<u>485,768,883.61</u>
TOTAL		<u><u>599,713,143.46</u></u>	<u><u>618,998,644.19</u></u>

Notes on Accounts
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As per our attached report of even date

For and on behalf of the Board of Directors

For **SHASHI CHADHA & CO.**
Chartered Accountants

H. C. GARG
Chairman cum Managing Director

CA. SHASHI KANT CHADHA
Prop.
M.No. 85777

RAJ KUMAR ARORA
Company Secretary

ROHIT GARG
Whole-time Director

New Delhi
June 30, 2009

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

PARTICULARS	SCHEDULES	CURRENT YEAR ENDED 31.03.2009 (Rupees)	PREVIOUS YEAR ENDED 31.03.2008 (Rupees)
A. INCOME :			
SALES	L1	2,733,513,266.16	1,775,032,028.63
OTHER INCOME	L2	5,890,572.50	28,308,144.52
INCREASE/(DECREASE) IN STOCK	L3	(15,454,120.00)	101,840,336.00
		<u>2,723,949,718.66</u>	<u>1,905,180,509.15</u>
B. EXPENDITURE :			
COST OF MATERIAL CONSUMED	M	2,232,707,267.81	1,611,919,843.24
MANUFACTURING EXPENSES	N	96,578,110.63	84,515,889.56
ADMINISTRATIVE & SELLING EXPENSES	O	298,969,607.33	135,859,374.39
FINANCIAL EXPENSES	P	33,493,305.05	35,359,149.20
OTHER EXPENSES	Q	6,000,581.57	5,444,240.52
		<u>2,667,748,872.39</u>	<u>1,873,098,496.91</u>
C. PROFIT BEFORE DEPRECIATION		56,200,846.27	32,082,012.24
D. DEPRECIATION		5,814,250.13	5,167,121.76
E. PROFIT AFTER DEPRECIATION (C-D)		50,386,596.14	26,914,890.48
F. PROVISION FOR DEFERRED TAXES		5,153,899.00	924,004.00
G. PROVISION FOR DIVIDEND		7,379,000.00	7,379,000.00
H. PROVISION FOR TAX ON DIVIDEND		1,254,062.00	1,254,062.00
I. PROFIT AFTER DIVIDEND (E-F-G-H)		36,599,635.14	17,357,824.48
J. PROVISION FOR TAXES		12,564,668.00	8,848,662.00
K. PROFIT AFTER TAX (I-J)		24,034,967.14	8,509,162.48
PROFIT CARRIED TO BALANCE SHEET		24,034,967.14	8,509,162.48

Notes on Accounts

R

As per our attached report of even date

For and on behalf of the Board of Directors

For **SHASHI CHADHA & CO.**

Chartered Accountants

H. C. GARG

Chairman cum Managing Director

CA. SHASHI KANT CHADHA

Prop.

M.No. 85777

RAJ KUMAR ARORA

Company Secretary

ROHIT GARG

Whole-time Director

New Delhi

June 30, 2009

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2009**

	2008-2009 <i>(Rs. in Thousand)</i>	2007-2008 <i>(Rs. in Thousand)</i>
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX, INTEREST AND EXTRAORDINARY ITEMS	78,929.47	58,823.34
ADJUSTMENT FOR :		
DEPRECIATION	5,814.25	5,167.12
LOSS ON SALE OF FIXED ASSETS	1,588.30	1,485.32
PROFIT ON SALE OF FIXED ASSETS	—	(68.50)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	86,332.02	65,407.28
ADJUSTMENT FOR :		
1. TRADE & OTHER RECEIVABLES	(835.90)	(425.09)
2. INVENTORIES	57,948.86	(126,601.13)
3. TRADE PAYABLES	20,867.38	(9,237.49)
4. OTHER ASSETS	12,924.00	(22,274.92)
5. OTHER LIABILITIES	5,568.16	20,323.65
CASH GENERATED FROM OPERATIONS	182,804.51	(72,807.70)
DIRECT TAXES PAID	(17,718.57)	(9,772.66)
NET CASH FROM OPERATING ACTIVITIES	<u>165,085.94</u>	<u>(82,580.36)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS	(92,521.05)	(17,177.51)
SALE OF FIXED ASSETS	1,131.00	1,057.47
SUBSIDY RECEIVED	—	374.57
PURCHASE OF SHARES	—	(2,000.00)
NET CASH FLOW FROM INVESTING ACTIVITIES	<u>(91,390.05)</u>	<u>(17,745.46)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM BORROWINGS	(48,269.93)	133,319.41
DIVIDEND	(7,379.00)	(7,379.00)
TAX ON DIVIDEND	(1,254.06)	(1,254.06)
INTEREST PAID	(28,542.87)	(31,908.45)
NET CASH FLOW FROM FINANCING ACTIVITIES	<u>(85,445.86)</u>	<u>92,777.90</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(11,749.97)	(7,547.92)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	18,953.00	26,500.92
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	7,203.03	18,953.00

For and on behalf of the Board of Directors

For **SHASHI CHADHA & CO.**
Chartered Accountants**H.C. GARG**
Chairman cum Managing Director**CA. SHASHI KANT CHADHA**
Prop.
M.No. 85777**RAJ KUMAR ARORA**
Company Secretary**ROHIT GARG**
Whole-time DirectorNew Delhi
June 30, 2009**AUDITORS' CERTIFICATE**We have verified the above Cash Flow Statement of **GRM OVERSEAS LIMITED** derived from the Audited Financial Statements for the year ended March 31, 2009 and found the same to be drawn in accordance therewith and also with requirements of clause 32 of the listing Agreement with Stock Exchanges.for **SHASHI CHADHA & CO.**
Chartered AccountantsNew Delhi
June 30, 2009**CA. SHASHI KANT CHADHA**
Prop.
M.No. 85777



GRM OVERSEAS LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	AS AT 31.03.2009 (Rupees)	AS AT 31.03.2008 (Rupees)
SCHEDULE 'A' - SHARE CAPITAL		
(i) AUTHORISED CAPITAL 70,00,000 EQUITY SHARES OF RS. 10/- EACH	70,000,000.00	70,000,000.00
(ii) ISSUED, SUBSCRIBED & PAID UP CAPITAL 36,89,500 EQUITY SHARES OF RS. 10/- EACH	36,895,000.00	36,895,000.00
SCHEDULE 'B' - RESERVE & SURPLUS		
CAPITAL RESERVE:		
INVESTMENT ALLOWANCE RESERVE	16,215.00	16,215.00
SHARE PREMIUM RESERVE	6,895,000.00	6,895,000.00
DEPRECIATION RESERVE	35,189,523.48	30,240,062.35
GENERAL RESERVE	54,457,325.69	54,457,325.69
REVALUATION RESERVE	19,485,409.00	19,485,409.00
PROFIT & LOSS ACCOUNT	55,014,378.65	30,979,411.51
FORFEITURE SHARE CAPITAL RESERVE	5,908,495.00	5,908,495.00
FORFEITURE SHARE PREMIUM RESERVE	5,908,495.00	5,908,495.00
TOTAL	182,874,841.83	153,890,413.55
SCHEDULE 'C' - SECURED LOANS		
STATE BANK OF INDIA EPC	379,943,267.58	253,559,983.58
STATE BANK OF INDIA AD HOC	—	80,480,631.00
STATE BANK OF INDIA C/C	34.06	34.06
STATE BANK OF INDIA PCFC	—	93,165,065.00
STATE BANK OF INDIA POWER PACK	—	1,007,517.00
TOTAL	379,943,301.64	428,213,230.64

DEPRECIATION CHART AS PER COMPANIES ACT, 1956 [SCHEDULE 'D'] FOR THE PERIOD 01.04.2008 TO 31.03.2009

S. NO.	PARTICULARS	OP. BALANCE	ADDITION	SOLD/TRF	TOTAL	RATE	DEPRECIATION	BALANCE
1	LAND	22,228,425.00	527,300.00	—	22,755,725.00	—	—	22,755,725.00
2	BUILDING	16,480,847.54	5,500,382.75	—	21,981,230.29	3.34%	550,460.31	21,981,230.29
3	PLANT & MACHINERY	79,986,388.05	81,965,156.03	1,001,781.00	160,949,763.08	5.28%	4,215,142.37	160,949,763.08
4	TRIPAULS	5,145,472.34	1,505,870.00	—	6,651,342.34	5.28%	306,443.84	6,651,342.34
5	MOTOR TRUCKS	1,595,569.00	—	—	1,595,569.00	9.50%	151,579.06	1,595,569.00
6	MOTOR CARS	4,631,968.00	2,871,719.00	2,582,309.00	4,921,378.00	9.50%	510,689.39	4,921,378.00
7	SCOOTER	37,350.00	37,320.00	—	74,670.00	9.50%	4,732.70	74,670.00
8	FURNITURE	207,365.00	—	—	207,365.00	6.33%	13,126.20	207,365.00
9	OFFICE EQUIPMENTS	895,875.65	58,000.00	—	953,875.65	6.33%	58,704.67	953,875.65
10	COMPUTER	—	50,400.00	—	50,400.00	6.33%	2,990.26	50,400.00
11	CYCLE	—	4,900.00	—	4,900.00	9.50%	381.33	4,900.00
TOTAL		131,209,260.58	98,021,430.53	9,084,472.75	220,146,218.36		5,814,250.13	220,146,218.36

**SCHEDULES TO THE ACCOUNTS (CONTD.)**

PARTICULARS	AS AT 31.03.2009 (Rupees)	AS AT 31.03.2008 (Rupees)
SCHEDULE 'E' - INVESTMENTS		
SMALL SAVING A/C GPO	20,500.00	20,500.00
SHARES OF PARADISE ACADEMY PVT. LTD.	2,000,000.00	2,000,000.00
TOTAL	2,020,500.00	2,020,500.00
SCHEDULE 'F' - INVENTORIES		
TOTAL	396,392,405.00	454,341,260.00
SCHEDULE 'G' - SUNDRY DEBTORS		
MORE THAN 6 MONTHS	50,000.00	368,332.00
OTHER DEBTS	44,785,862.09	43,631,625.17
TOTAL	44,835,862.09	43,999,957.17
SCHEDULE 'H' - CASH & BANK BALANCES		
TOTAL	7,203,032.61	18,953,003.18
SCHEDULE 'I' - OTHER CURRENT ASSETS		
VAT RECEIVABLE	5,621,048.39	2,171,943.19
PREPAID INSURANCE	365,289.00	306,779.00
PREPAID CAR INSURANCE	28,099.00	43,622.00
LICENCE RECEIVABLE	1,326,465.00	21,609,410.00
SECURITY DEPOSITS	1,783,419.00	1,654,117.00
POST OFFICE/N.S.C.	13,000.00	13,000.00
INCOME TAX REFUNDABLE (A.Y. 2006-07)	1,417.00	1,417.00
INCOME TAX REFUNDABLE (A.Y. 2007-08)	16,183.00	16,183.00
ADVANCE TAX	12,349,700.00	8,497,500.00
T.D.S. RECEIVABLE	259,228.00	225,684.00
INTEREST ACCRUED BUT NOT DUE	78,172.00	655,784.00
TOTAL	21,842,020.39	35,195,439.19



SCHEDULES TO THE ACCOUNTS (CONTD.)

PARTICULARS	AS AT 31.03.2009 (Rupees)	AS AT 31.03.2008 (Rupees)
SCHEDULE 'J' - LOANS & ADVANCES		
ADVANCES TO SUPPLIERS	1,905,165.70	1,475,748.46
TOTAL	1,905,165.70	1,475,748.46
SCHEDULE 'K' - CURRENT LIABILITIES		
SUNDRY CREDITORS	50,674,813.53	29,807,435.34
ADVANCES RECEIVED	2,115,651.00	9,735,166.50
BOOK OVERDRAFTS	8,527,387.16	1,265,638.55
COMMISSION	1,541,936.00	—
E.S.I.	42,405.00	6,443.00
PROVIDENT FUND	23,521.00	25,364.00
ELECTRICITY EXPENSES	1,059,609.00	709,614.00
LABOUR CHARGES	125,886.00	117,967.00
SALARIES	81,041.00	94,449.00
STICHING & PRINTING EXPENSES	76,699.00	67,021.00
T.D.S. PAYABLE	1,551,279.00	1,226,192.00
TELEPHONE EXPENSES	6,222.00	17,374.00
POLYTHENE MANUFACTURING EXPENSES	—	50,000.00
AUDIT & LEGAL FEES	60,996.00	91,800.00
FREIGHT & CARTAGE	—	5,196,708.00
PROVISION FOR DEFERRED TAXES	7,386,704.00	2,232,805.00
PROVISION FOR DIVIDEND	7,379,000.00	7,379,000.00
PROVISION FOR TAX ON DIVIDEND	1,254,062.00	1,254,062.00
SERVICE TAX	2,910.00	15,110.00
PROVISION FOR FRINGE BENEFIT TAX	56,384.00	—
BONUS	80,339.00	55,713.00
PROVISION FOR TAX	12,564,668.00	8,848,662.00
SUBSCRIPTION EXPENSES	2,500.00	—
MARKET FEES	18,048.00	—
TOTAL	94,632,060.69	68,196,524.39


SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

PARTICULARS	CURRENT YEAR ENDED 31.03.2009 (Rupees)	PREVIOUS YEAR ENDED 31.03.2008 (Rupees)
SCHEDULE 'L1' - SALES		
EXPORT SALES	2,459,535,657.88	1,624,729,419.50
LOCAL/CENTRAL	273,977,608.28	150,302,609.13
TOTAL	2,733,513,266.16	1,775,032,028.63
SCHEDULE 'L2' - OTHER INCOME		
EXPORT INCENTIVE	5,660,502.00	27,638,808.00
DIVIDEND	83,061.00	—
FOREX FLUCTUATION	—	464,739.12
AGRICULTURAL INCOME	147,009.50	15,094.20
PROFIT ON SALE OF FIXED ASSETS	—	68,500.00
OTHER INCOME	—	121,003.20
TOTAL	5,890,572.50	28,308,144.52
SCHEDULE 'L3' - INCREASE/(DECREASE) IN STOCK		
CLOSING STOCK	189,212,600.00	204,666,720.00
OPENING STOCK	204,666,720.00	102,826,384.00
TOTAL	(15,454,120.00)	101,840,336.00
SCHEDULE 'M' - COST OF MATERIAL CONSUMED		
OPENING STOCK	249,674,540.00	224,913,750.00
PURCHASES	2,190,212,532.81	1,636,680,633.24
	2,439,887,072.81	1,861,594,383.24
CLOSING STOCK	207,179,805.00	249,674,540.00
TOTAL	2,232,707,267.81	1,611,919,843.24
SCHEDULE 'N' - MANUFACTURING EXPENSES		
BOILER EXPENSES	333,720.00	331,284.65
COMMISSION	11,253,199.00	9,137,971.00
ELECTRIC & GENERATOR EXPS.	30,419,269.36	26,972,694.00
LABOUR CHARGES	1,565,493.59	2,087,174.00
GOVT. FEES & TAXES	21,686,387.00	23,662,723.82
FREIGHT & CARTAGE	24,877,179.28	15,737,894.50
SORTX EXPENSES	374,178.61	364,120.00
STICHING & PRINTING	873,769.00	1,409,765.00
STORES PURCHASE	5,173,844.79	4,467,372.59
POLYTHENE MANUFACTURING EXPS.	—	317,250.00
TESTING CHARGES	21,070.00	27,640.00
TOTAL	96,578,110.63	84,515,889.56


SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

PARTICULARS	CURRENT YEAR ENDED 31.03.2009 (Rupees)	PREVIOUS YEAR ENDED 31.03.2008 (Rupees)
SCHEDULE 'O' - ADMINISTRATIVE & SELLING EXPENSES		
RENT	2,441,771.00	1,630,600.00
BUILDING REPAIRS	126,049.00	322,500.00
ADVERTISEMENT EXPENSES	39,740.00	24,205.00
ANNUAL MAINTENANCE CHARGES	49,768.00	—
AUDITOR'S REMUNERATION	50,000.00	50,000.00
CONSULTANCY CHARGES	315,443.00	81,526.00
TOUR & TRAVELLING EXPENSES	438,216.00	852,586.00
BUSINESS PROMOTION	764,707.00	—
SHIPPING & FORWARDING	85,509,501.10	78,930,690.16
FREIGHT & CARTAGE	37,680,777.63	40,460,600.00
CAR INSURANCE CHARGES	69,630.00	62,309.00
INSURANCE CHARGES	2,406,830.83	1,369,283.30
FRINGE BENEFIT TAX	184,413.00	105,418.00
LEGAL EXPENSES	21,510.00	44,956.00
CESS FEES ON RICE	155,063,970.00	—
MISC. EXPENSES	57,200.41	47,058.50
ENTERTAINMENT EXPENSES	99,580.00	80,066.00
PACKING MATERIAL	5,428,996.53	5,329,562.56
PRINTING & STATIONERY & POSTAGE	190,374.00	165,509.00
REPAIR & MAINTENANCE	4,693,670.40	3,332,249.83
ELECTRIC REPAIRS	1,119,585.77	686,997.50
REMUNERATION TO STAFF	1,774,322.00	1,869,127.00
TELEPHONE EXPENSES	185,435.66	221,894.54
TRUCK EXPENSES	258,116.00	192,236.00
TOTAL	298,969,607.33	135,859,374.39
SCHEDULE 'P' - FINANCIAL EXPENSES		
BANK CHARGES	4,950,435.05	3,450,703.20
BANK INTEREST	26,928,919.00	28,503,127.00
INTEREST	1,613,951.00	3,405,319.00
TOTAL	33,493,305.05	35,359,149.20
SCHEDULE 'Q' - OTHER EXPENSES		
BONUS	80,339.00	55,713.00
CAR & SCOOTER EXPENSES	640,655.29	352,737.00
LOCAL CONVEYANCE	87,910.00	73,020.00
CHARITY & DONATION	42,600.00	83,092.00
DOCUMENT ATTESTATION	103,715.00	105,311.00
EXCISE DUTY	29,272.00	—
LICENCE FEES & GOVT. FEES	751,874.00	589,017.00
P.F. & E.S.I.	346,215.00	210,873.00
REBATE AND DISCOUNT	766,964.28	262,169.52
SERVICE TAX	1,480,636.00	2,141,989.00
SUBSCRIPTION EXPENSES	41,000.00	85,000.00
LOSS ON SALE OF MACHINERY	456,384.00	1,475,456.00
LOSS ON SALE OF CAR	1,131,917.00	9,863.00
WEALTH TAX	41,100.00	—
TOTAL	6,000,581.57	5,444,240.52


SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2009.
A. SIGNIFICANT ACCOUNTING POLICIES:

- (i) **Accounting Conventions:-** The financial statements are prepared under the historical cost convention on accrual method of accounting in accordance with applicable Accounting Standards.
- (ii) **Fixed Assets :-** Fixed Assets are capitalised at cost inclusive of incidental expenses.
- (iii) **Depreciation :-** The Company provides depreciation on its fixed assets on SLM basis at the rates specified in Schedule XIV of the Companies Act, 1956 on pro rata basis.
- (iv) **Investments :-** Investments are stated at cost of acquisition.
- (v) **Preliminary Expenses :-** There are no preliminary expenses.
- (vi) **Inventories :-** Inventories are valued at cost or market price whichever is lower.

B. NOTES FORMING PART OF THE ACCOUNTS :

1. Cash credit facilities availed from S.B.I., Spl. Comm. Br., G.T. Road, Panipat are secured by the hypothecation of inventories and personal guarantee of Directors.
2. The outstanding balance of debtors, creditors etc. are subject to confirmation & reconciliation.
3. The Company generally follows mercantile system of accounting and recognize income and expenditure on accrual basis except taxes, interest & penalties by sales tax authorities, which are taken on payment basis.
4. Previous year figures have been regrouped/rearranged wherever necessary.
5. Stock, production, purchase and turnover (Quantities in Quintals and value in Rupees).

Particulars	Current Year		Previous Year	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
OPENING STOCK				
Rice	1,06,948.050	20,02,06,750.00	50,957.190	10,20,16,295.00
Paddy	1,92,324.950	23,94,44,563.00	1,78,356.590	21,81,30,103.00
Bardana (Bags)	6,39,578.000	53,72,457.00	4,62,600.000	47,60,390.00
Rice Bran	1,410.000	9,09,450.00	1,508.460	5,36,471.00
Granules	561.400	39,29,800.00	—	—
Polythene	522.700	44,59,970.00	—	—
Polythene Waste	10.150	18,270.00	—	—
Pista	—	—	1.500	38,945.00
Cloves	—	—	8.500	93,500.00
Badam	—	—	102.090	20,23,257.00
Badam Giri	—	—	5.090	1,41,173.00
Total		45,43,41,260.00		32,77,40,134.00
CLOSING STOCK				
Rice	1,02,897.638	18,92,12,600.00	1,06,948.050	20,02,06,750.00
Paddy	1,55,139.345	19,93,20,482.00	1,92,324.950	23,94,44,563.00
Bardana (Bags)	6,89,479.000	59,29,519.00	6,39,578.000	53,72,457.00
Rice Bran	2,522.620	19,29,804.00	1,410.000	9,09,450.00
Granules	—	—	561.400	39,29,800.00
Polythene	—	—	522.700	44,59,970.00
Polythene Waste	—	—	10.150	18,270.00
Total		39,63,92,405.00		45,43,41,260.00
PRODUCTION/PURCHASE				
Rice (Purchased)	2,42,335.900	1,25,27,28,065.00	2,33,210.190	67,30,45,493.00
Rice (Produced)	2,79,364.250	—	2,62,773.900	—
Paddy	4,03,304.735	87,37,18,745.00	4,27,090.840	86,05,18,817.00
Granules	3,275.000	2,46,88,701.86	7,230.000	4,48,75,264.00
Polythene	3,547.570	—	6,235.750	—
Badam Giri	—	—	72.115	—



Particulars	Current Year		Previous Year	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
TURNOVER				
Rice	5,25,165.782	2,79,80,71,953.00	4,39,847.197	1,68,93,06,347.00
Paddy	5,450.290	2,22,26,283.00	—	—
Polythene	4,070.270	3,79,60,070.00	5,713.050	4,94,21,048.00
Granules	140.000	1,386,312.00	—	—
Pista	—	—	1.500	60,510.00
Cloves	—	—	8.500	90,440.00
Badam Giri	—	—	77.205	23,07,350.00
RAW MATERIALS CONSUMED				
Paddy (Milled)	4,35,040.050	—	4,13,122.480	83,92,04,357.00
Badam	—	—	102.090	20,23,257.00
Granules	3,696.400	—	6,668.600	4,09,45,464.00
Shortages :				
Rice	584.780	—	146.033	—

6. The Company has rice manufacturing as its primary segment and has undertaken other activities in polythene etc. The information about the primary business segment is as under:

Particulars	Rice	Others	Total
REVENUE			
External Sales	2,69,41,66,884.00	3,93,46,382.00	2,73,35,13,266.00
Other Income	58,90,572.00	—	58,90,572.00
Inter-segment sales	—	—	—
Total Revenue	2,70,00,57,456.00	3,93,46,382.00	2,73,94,03,838.00
Segment Results (Profit before interest and tax)	7,25,41,032.00	63,88,434.00	7,89,29,466.00
Interest charges			2,85,42,870.00
Profit before tax			5,03,86,596.00
Provision for tax			1,77,18,567.00
Provision for tax on dividend			12,54,062.00
Profit after tax			3,14,13,967.00
OTHER INFORMATION			
Segment Assets	69,23,24,704.00	—	69,23,24,704.00
Segment Liabilities	47,45,75,363.00	—	47,45,75,363.00

7. Earning Per Shares

31.03.2009	8.51
31.03.2008	4.31

8. Additional Information

- Class of goods manufactured Rice.
- Capacity/Licensed
- Installed

9. Expenditure on employees

Employees in receipt of remuneration in aggregate not less than Rs. 12,00,000/- per annum if employed throughout the year or Rs. 1,00,000/- per month if employed for the part of the year.

No. of Employees : None
Amount : Nil

for **SHASHI CHADHA & CO.**
Chartered Accountants

Delhi
2, 2009

CA. SHASHI KANT CHADHA
Prop.
M.No. 85777

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I REGISTRATION DETAILS**

Registration No.	64007	State Code	55
Balance Sheet Date	31	03	2009
	Date	Month	Year

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue	Right Issue
Nil	Nil
Bonus Issue	Private Placement
Nil	Nil

III. POSITION MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities	599713	Total Assets	599713
Sources of Funds		Application of Funds	
Paid-up Capital	36895	Fixed Assets (Gross Block)	220146
Reserve & Surplus	182875	Investment	2021
Secured Loan	379943	Net Current Assets	377546
Unsecured Loan	NIL	Misc. Expenditure	NIL
Accumulated Losses	NIL		

IV. PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Turnover and other Receipts	2739404
Total Expenditure	2689017
Profit/Loss before Tax	50387
Profit/Loss after Tax	31414
Earning per Share (Rs.)	8.51
Dividend rate %	20%

**V. GENERIC NAMES OF THREE PRINCIPAL PRODUCT/SERVICES OF COMPANY
(AS PER MONETARY TERMS)**

Item Code No.(ITC Code)	100610
Product Description	Rice

As per our attached report of even date

For and on behalf of the Board of Directors

For **SHASHI CHADHA & CO.**
Chartered Accountants

H. C. GARG
Chairman cum Managing Director

CA. SHASHI KANT CHADHA
Prop.
M.No. 85777

RAJ KUMAR ARORA
Company Secretary

ROHIT GARG
Whole-time Director

New Delhi
June 30, 2009

GRM OVERSEAS LIMITED

Regd. Office : 219-A, Rama Market, Pitampura, Delhi - 110 034

ATTENDANCE SLIP

DP ID / Client ID

Please complete this attendance slip and hand it over at the entrance counter.

NAME OF MEMBER

FOLIO NUMBER

NO. OF SHARES

I/We hereby record my/our presence at the 15th Annual General Meeting of the Company to be held on Wednesday, the 9th September, 2009 at 9.30 A.M. at 219-A, Rama Market, Pitam Pura, Delhi - 110 034.

NAME OF THE PROXY

SIGN. OF MEMBER/PROXY

NOTE : NO GIFT SHALL BE DISTRIBUTED AT THE MEETING.

GRM OVERSEAS LIMITED

Regd. Office : 219-A, Rama Market, Pitampura, Delhi - 110 034

PROXY FORM

FOLIO NUMBER

NO. OF SHARES

I/We

R/o

being a Member/Members of the above mentioned Company, hereby appoint Sh./Smt.

R/o

failing him, Sh./Smt.

R/o

as my/our Proxy to attend and vote for me/us (in the event of Poll) on my/our behalf at the 15th Annual General Meeting of the Company to be held on Wednesday, the 9th September, 2009 at 9.30 A.M. at 219-A, Rama Market, Pitam Pura, Delhi - 110 034 or at any adjournment thereof.

Signed this _____ day of _____ 2009.

Signature

Afix
Rs. 1/-
Revenue
Stamp

Note :

THE PROXIES MUST REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR HOLDING THE AFORESAID MEETING.

BOOK-POST

FIRST IMPRESSION : 9811224048, 9899578245

If undelivered please return to :
GRM OVERSEAS LIMITED
219-A, Rama Market, Pitampura
Delhi - 110 034