

17TH
ANNUAL REPORT
2010 - 2011



GRM OVERSEAS LIMITED

**17TH ANNUAL
GENERAL MEETING**

Day : Friday

Date : 30th September, 2011

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

Shri Atul Garg

Director

Shri Parveen Kumar

Director

BANKERS

State Bank of India
Special Commercial Branch
G.T. Road, Panipat (Haryana)

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 17th Annual General Meeting of the Company will be held as under:

Day	:	Friday
Date	:	30 th September, 2011
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, 2011, 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 a dividend on Equity Shares.
3. To appoint a Director in place of Shri Vikram Malik who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Chetan Kapoor 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 an **Ordinary Resolution**:
“**RESOLVED THAT** Mr. Atul Garg (DIN 02380612), who was appointed as Additional Director of the Company by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the Company and that the period of office of the Director shall liable to be determined by retirement by rotation.”
7. To consider and if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** Mr. Parveen Kumar (DIN 03339045), who was appointed as Additional Director of the Company by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the Company and that the period of office of the Director shall liable to be determined by retirement by rotation.”

By Order of the Board

Place : New Delhi
Date : August 12, 2011

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. Brief resume of all Directors including those proposed to be appointed, nature of their expertise in specific functional areas, names of Companies in which they hold directorships and memberships/chairmanship of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement executed with the Bombay Stock Exchange, are provided in the Report on Corporate Governance forming part of the Annual Report.



3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 23, 2011 to Friday, September 30, 2011(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 Friday, September 23, 2011 and the dividend amount shall be credited/ dispatched between October 23, 2011 and October 30, 2011.
4. Members are requested to bring their copies of the annual report to the annual general meeting.
5. The members / proxies should bring the attendance slip duly filled in and signed for attending the meeting.
6. The Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 6 & 7 of this notice is annexed hereto.

ANNEXURE TO THE NOTICE

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

ITEM NO.6

The Board of Directors in its meeting held on February 14, 2011 appointed Shri Atul Garg as Additional Director under Section 260 of the Companies Act, 1956 to hold office up to the date of this Annual General Meeting as per Article 80 of the Articles of Association of the Company. Your company has received notice under section 257 of the Companies Act, 1956 from a member proposing the appointment of Shri Atul Garg as a Director of the Company.

Mr. H. C. Garg, Chairman cum Managing Director and Mr. Rohit Garg, Whole time Director, relative of Mr. Atul Garg, being the father and brother respectively are deemed to be directly concerned or interested in this item.

None of the other director is concerned or interested in this proposed resolution.

The Board recommends the resolution for your approval.

ITEM NO. 7

The Board of Directors in its meeting held on February 14, 2011 appointed Shri Parveen Kumar as Additional Director under Section 260 of the Companies Act, 1956 to hold office up to the date of this Annual General Meeting as per Article 80 of the Articles of Association of the Company. Your company has received notice under section 257 of the Companies Act, 1956 from a member proposing the appointment of Shri Parveen Kumar as a Director of the Company.

None of the other director is concerned or interested in this proposed resolution.

The Board recommends the resolution for your approval.

By Order of the Board

Place : New Delhi
Date : August 12, 2011

ROHIT GARG
Whole-time Director

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

Your Directors have great pleasure in presenting the 17th Annual Report of the Company along with the Audited Accounts for the year ended 31st March 2011.

	(Rs. /Lacs)	
	CURRENT YEAR	PREVIOUS YEAR
FINANCIAL RESULTS	(2010-2011)	(2009-2010)
Profit before Depreciation & Finance Charges	717.35	1,013.09
Less : Finance Charges	360.50	345.06
Depreciation	114.19	450.86
Net Profit after Depreciation & Finance Charges	242.66	562.23
Provision for Income Tax, Deferred Tax and Dividend Tax	89.29	207.04
APPROPRIATIONS		
Transferred to Profit & Loss Account	117.48	281.39
Provision for Dividend	36.89	73.79

DIVIDEND

Your Directors' are pleased to recommend Dividend @10% (i.e. Rs.1/- per Equity Share) for the financial year ended on 31st March 2011(Previous Year Rs.2/- per Equity Share), 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 reduced substantially due to lower Sales realization and increase in cost of production. During the current year the Company would make all efforts to 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. Vikram Malik and Mr. Chetan Kapoor, 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 respective re-appointment.

Mr. Atul Garg & Mr. Parveen Kumar were appointed as Additional Director during the year and they hold office upto the forthcoming Annual General Meeting. Your company has received notice u/s 257 of the Companies Act, 1956 proposing them for the office of Director to be elected by the members in the ensuing A.G.M. The proposal regarding their appointment duly recommended by the Board, as Director is placed for your approval.

None of the directors of the Company is disqualified under the provisions of Section 274(1)(g) of the Companies Act, 1956.

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, 2011 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. Board of Directors recommends their 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.

COMPLIANCE CERTIFICATE

The Compliance Certificate pursuant to Section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001 is annexed hereto and forms part of this Report.

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

Place : New Delhi
Date : August 12, 2011

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 2011.

(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.

	<i>CURRENT YEAR</i> <i>2010-2011</i>	<i>PREVIOUS YEAR</i> <i>2009-2010</i>
A. POWER AND FUEL CONSUMPTION		
a) Purchased Units	3647647.00	4760833.00
Total Amount (Rs.)	18804472.00	21725945.00
Rate/Unit (Rs.)	5.16	4.56
b) Own Generation		
Through Diesel Generator		
Units (approx.)	1101435	1912390
Cost of Fuel	10166092.00	16875990.00
Cost/Units (Rs.)	9.23	8.82
B. CONSUMPTION PER UNIT (M.T.) OF PRODUCTION		
Production Unit (M.T.)	22929	37716
Electricity	4749082	6673223

(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.

(IV) FOREIGN EXCHANGE EARNING AND OUTGO

	<i>CURRENT YEAR</i> <i>2010-2011</i>	<i>PREVIOUS YEAR</i> <i>2009-2010</i>
Foreign Exchange Earnings (in Rs.)	1453063987.00	2523170634.00
Foreign Exchange Outgo	NIL	6716500.00

By Order of the Board

Place : New Delhi
Date : August 12, 2011

H. C. GARG
Chairman cum Managing Director



COMPLIANCE CERTIFICATE

Registration No. of the company : L74899DL1995PLC064007
Nominal Capital : Rs.7,00,00,000/- (Rupees Seven Crores Only)

To,
The Members
GRM Overseas Limited
219-A, First Floor, Rama Market
Pitmpura, New Delhi – 110 034.

We, have examined the registers, records, books and papers of **GRM Overseas Limited** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company, the listing agreement as executed with the Bombay Stock Exchange (BSE) for the financial year ended on 31st March, 2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The company is a Public Limited Company within the meaning of the Act.
4. The Board of Directors duly met 7(Seven) times on May 10, August 9, September 18, October 15, November 11, 2010, February 14 and March 10, 2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company has closed its register of members and Share Transfer Books from September 23, 2010 to September 30, 2010 to ascertain the name of the members who are entitled for dividend on Equity Shares. Adequate notice was published in the Newspaper as per the requirement of the Act and intimation was also sent to BSE.
6. The annual general meeting for the financial year ended on 31.03.2010 was held on September 30, 2010 after giving notice to all the shareholders of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra ordinary general meetings were held during the period under scrutiny.
8. The company has not advanced any loans or given guarantees to its directors or firms or companies referred to under section 295 of the Act.
9. The company has not entered into any contract falling within the purview of section 297.
10. The company has duly complied with provision of section 301 in regard to general disclosure u/s 299 and contracts entered there under.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of Director, members or Central Government.
12. The company has issued duplicate share certificates during the financial year and complied with the relevant provisions of the Companies Act, 1956.
13. (i) The company has not allotted any equity shares during the year under review and has received equity shares for transfer/transmission. The Share Certificate after transfer/transmission was sent to the investor in-time.
(ii) The company has deposited amount in a separate bank account for the dividend declared during the year.
(iii) The company has posted Demand Draft/Pay Orders/Cheques/Warrants to the members of the company for the dividend declared during the financial year.
(iv) The Company was not required to transfer any amount to Investor Education and Protection Fund during the year.



- (v) The company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and the Board was broad based by induction of two more director, for which all the compliances were made in terms of the provisions of the Companies Act, 1956..
 15. The company has not made appointment of Managing Director during the financial year.
 16. The company has not appointed any sole selling agents during the financial year.
 17. The company has obtained approvals from the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under various provisions of the Act, wherever required.
 18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act.
 19. The company has not issued any equity share during the financial year under review.
 20. The company has not bought back any shares during the financial year ended 31.3.2011.
 21. There was no redemption of preference shares or debentures during the financial year.
 22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, right shares bonus shares pending registration of transfer of shares.
 23. The company has not invited/ accepted any deposits including any unsecured loans falling within the purview of section 58A during the Financial Year.
 24. The company has not made any borrowings during the financial year, except for the Working Capital Limits as sanctioned by Scheduled Bank(s).
 25. The Company being a Public Limited Company but has not made any transaction for which Section 372A of the Act becomes attracted.
 26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
 27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
 28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
 29. The company has not increased its Authorised Share Capital.
 30. The company has not altered its articles of association during the financial year.
 31. There was no prosecution initiated against or show cause notices received by the company for any offences under the Act and no fines or penalties or any other punishment was imposed on the company during the financial year.
 32. The company has not received any money as security from its employees during the year under certification.
 33. The provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952 are applicable to the Company and the provisions of this act are complied.

for **S. C. SINGHAL & ASSOCIATES**
Company Secretaries

Place : New Delhi
Date : August 12, 2011

(S. C. SINGHAL)
Prop.
C. P. No. 6981

**ANNEXURE – A**

Registers as maintained by the Company

Statutory Registers :

1. Register of Members	U/S	150
2. Register of contracts with firms and companies in which directors are interested	U/S	301
3. Register of Directors, Managing Director, Manager and Secretary	U/S	303
4. Register of Directors Shareholding	U/S	307
5. Register of Investments U/S 372A		
6. Books of Accounts	U/S	209
7. Minute Books Board Meeting General Meeting	U/S	193

Other Registers

1. Application Form and Allotment Register.
2. Share Transfer Register.

ANNEXURE – B

Forms and Returns as filed by the Company with Registrar of Companies or other authorities during the financial year ended 31.03.2011.

Sl. No.	Form No./ Return	Filed under Section	For	Date of Filing & Receipt No.
1.	Annual Return (Form 20B)	159	Annual Return as on the date of AGM held on 30/09/2010	24/11/2010, SRN P59913483
2.	Annual Report Balance Sheet/ Profit & Loss Account/ Notice Directors' Report/ Auditors Report (Form 23AC/ ACA)	220	2009-2010	11/10/2010, SRN P53544334
3.	Form 66	383A	Compliance Certificate	11/10/2010, SRN P53541090
4.	Form 32	303	Regarding appointment of Mr. Atul Garg & Mr. Parveen Kumar as additional director.	16/02/2011, SRN B05687314
5.	Form 8	125	Limit enhanced	10/04/2010, SRN A82603069



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 rests. 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 (D.O.B 14.09.1943), aged 67 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 36 years of experience in rice processing and trade.

Shri Rohit Garg (D.O. B 01.07.1972), aged 38 years, is a commerce graduate (B.Com) from Delhi University. He has been actively involved in the family business of rice manufacturing since 1983. 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.

Shri Atul Garg (D.O.B. 08.09.1978) aged 33 years, is BBA (Hons) (London). He has been actively involved in the family business of rice manufacturing since 2008. He looks after the domestic and international marketing of the Company and has also vast experience of the Overseas business.

(b) Independent Executive Director: -

There has been no Independent Executive Director in the company.

(c) Independent Non-Executive Directors: -

Shri Chetan Kapoor (D.O.B. 19.11.1976), aged 35 years is a commerce graduate. He has in-depth knowledge of audit & accounts. He has been working as Software Engineer for last 15 years and has expertise knowledge of making software of different industries, especially rice industry.

Shri Vikram Malik (D.O.B. 19.04.1978), aged 33 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 11 years.

Shri Parveen Kumar (D.O.B. 10.09.1959), aged 52 years is a commerce graduate. He belongs to a Landlord family and has vast experience of procurement of paddy and has in-depth knowledge of rice industries. He has been engaged in the field of paddy procurement for the last 27 years.

(d) Meetings:-

Seven Board meetings were held during the year on 10-05-2010, 09-08-2010, 18-09-2010, 15-10-2010, 11-11-2010, 14-02-2011 & 10-03-2011. Last Annual General Meeting was held on 30-09-2010. The gap between any two meetings was less than four months. The annual general meeting and all the seven board meetings were attended by all the concerned 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.) Date of Appointment, No. of Equity shares in the company	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) 03.01.1995, 16,26,200 Equity Shares of Rs. 10/- each	Promoter-Executive Non Independent	Mr. Rohit Garg & Mr. Atul Garg	Son Son	Nil	Nil	7	7	Yes
2.	Mr. Rohit Garg, Whole-time Director (00673304) 30.06.2003, 10,90,000 Equity Shares of Rs. 10/- each	Promoter-Executive Non Independent	Mr. H. C. Garg Mr. Atul Garg	Father Brother	Nil	Nil	7	7	Yes
3.	Mr. Chetan Kapoor, Director (00672045) 31.03.2003, Nil Equity Share	Non-Executive Independent Director	Nil	Nil	Nil	Nil	7	7	Yes
4.	Mr. Vikram Malik, Director (00438494) 31.03.2007, Nil Equity Share	Non-Executive Independent Director	Nil	Nil	Nil	Nil	7	7	No
5.	Mr. Atul Garg, Director, (02380612), 14.02.2011, Nil Equity Share	Promoter Non-Executive Non Independent	Mr. H.C. Garg Mr. Rohit Garg	Father Brother	Nil	Nil	2	2	No
6.	Mr. Parveen Kumar, Director, (03339045), 14.02.2011, Nil Equity Share	Non-Executive Independent Director	Nil	Nil	Nil	Nil	2	2	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.

(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 2010-11. 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 without participation of interested directors and is approved by the shareholders in General meeting. The remuneration of each Director is fixed within the ceiling limits prescribed by the Government under Schedule XIII of the Companies Act, 1956. However, no sitting fees were 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. Parveen Kumar	Non-executive 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/Investor 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. Parveen Kumar	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 6 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 2010-2011 8 complaints were received from shareholder/investors which all were resolved and as on March 31, 2011 Nil Complaint was pending.

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. Parveen Kumar	Ind., Non Executive Director
Mr. Rohit Garg	Promoter, Executive Director

(II) Broad Terms of Reference:

- To review and decide the policy on specific remuneration package of Managing Director and Whole- time Director of the Company.
- To decide on any other matter as may be referred by the Board.
during the year 2010-2011 no remuneration committee meeting was held.

6. GENERAL BODY MEETING

Last three Annual General Body Meeting were held in Delhi at the Registered Office of the Company on 30-09-2008, 09-09-2009 and 30-09-2010 all at 9.30 a.m. All resolutions at these meetings were passed by show of hands. Special Resolution, wherever required was 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, 2010 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 30, 2011 9.30 A.M., 219-A, Rama Market, Pitampura, Delhi-110034.
Financial Calendar	: a) 1 st Quarter Results – By the mid of Aug. '11. : b) 2 nd Quarter Results – By the mid of Nov., '11. : c) 3 rd Quarter Results – By the mid of Feb., '12. : d) 4 th Quarter Results – By the mid of May, '12 *Tentative and subject to change.
Date of Book Closure	: September 23, 2011 to September 30, 2011 (both days inclusive)
Dividend Payment Date	: The Board recommended dividend of Rs. 1/- per Share. The Dividend shall be payable on or after September 30, 2011
Stock Exchange Listing	: Bombay Stock Exchange(BSE)
Stock Code	: 531449
ISIN	: INE192H01012



Market Price Data:

Particulars	Apr10	May10	June10	July10	Aug10	Sep10	Oct10	Nov10	Dec10	Jan11	Feb11	Mar11
Low	29.65	35.50	36.00	36.65	46.00	44.50	41.50	40.00	28.85	30.00	30.45	30.00
High	41.85	45.95	41.10	57.75	56.00	51.95	49.75	48.00	39.00	33.30	34.50	33.50

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.
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 31.03.2011 : Body Corporate 11,400 – 0.31%,
Non Resident Indians 98,800 – 2.68% &
Others 8,63,100 – 23.39%

Nominal Value of Shares	No.of Share Holders	% of Total	Amount	%of Total
Upto Rs.5000	256	66.32	5,71,000	1.55
5001 to 10000	73	18.91	6,46,000	1.75
10001 to 20000	22	5.70	3,62,000	0.98
20001 to 30000	7	1.81	1,80,000	0.49
30001 to 40000	4	1.04	1,53,000	0.41
40001 to 50000	4	1.04	1,91,000	0.52
50001 to 100000	8	2.07	6,57,000	1.78
100001 and above	12	3.11	3,41,35,000	92.52
Total	386	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-110033.
email Id: info@abhipra.com

Dematerialization of Shares : The Company's Equity Shares have been allotted ISIN:
INE192H01012 both by NSDL & CDSL. 6,24,500 Equity Shares
representing 26.38% of the paid-up Equity Capital of the Com
pany have been dematerialized till 31.03.2011.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Industry Structure & Developments – The year 2010 began with acceleration in economic growth all over the world and these phenomena prevailed almost the whole financial year, and were supported by recovery in the entire sector including the industrial sector. In spite of all the positive outlook, our Company' could not accelerate the growth and the gross realization and the profitability was effected due to various factors, including the increase cost of production, high inflationary cost and other factors which were out of control of the Board.

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.

For and on behalf of the board

Sd/-

H.C. GARG

Chairman cum Mg. Director

Place : New Delhi

Date : August 12, 2011

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, 2011, as stipulated in clause 49 of the listing agreement of said company with the stock exchanges.

The compliance of condition 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 the 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

Firm Registration No. : 15666N

Sd/-

C.A. SHASHI KANT CHADHA

Prop.

M.No. 85777

Place : New Delhi

Date : August 12, 2011



AUDITOR'S REPORT

TO THE MEMBERS OF M/S GRM OVERSEAS LIMITED

1. We have audited the attached Balance Sheet of GRM OVERSEAS LIMITED as at 31st March 2011 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, 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 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, 2011;
 - 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
Firm Registration No. : 15666N

Place : New Delhi
Date : May 30, 2011

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 is maintaining 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) (a), (b), (c) and (d) The company has not granted any loan secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act and hence provisions of sub-clauses (a), (b), (c) and (d) of Clause 4 (iii) of the order are not applicable to the company.
- (e) The company has taken unsecured loans from five parties covered in the register maintained under section 301 of the Act. The amount outstanding as on 31st March, 2011 is Rs.4,17,84,182/-.
- (f) The terms and conditions of loans are not prima facie prejudicial to the interest of the Company.
- (g) The payments of principal amount and interest are regular during the year.
- (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
Firm Registration No. : 15666N

Place : New Delhi
Date : May 30, 2011

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

**BALANCE SHEET AS AT 31ST MARCH, 2011**

PARTICULARS	SCHEDULES	AS AT 31.03.2011 (Rupees)	AS AT 31.03.2010 (Rupees)
A SOURCES OF FUNDS			
1 SHARE HOLDERS' FUNDS			
SHARE CAPITAL	A	36,895,000.00	36,895,000.00
RESERVE & SURPLUS	B	244,423,994.18	221,257,344.13
		<u>281,318,994.18</u>	<u>258,152,344.13</u>
2 LOAN FUNDS			
SECURED LOANS	C	692,821,708.52	640,175,992.58
UNSECURED LOANS	D	41,784,182.00	21,147,603.00
TOTAL (1+2)		<u><u>1,015,924,884.70</u></u>	<u><u>919,475,939.71</u></u>
B APPLICATION OF FUNDS			
1 FIXED ASSETS			
GROSS BLOCK	E	237,822,607.96	236,185,709.96
2 INVESTMENTS	F	2,020,500.00	2,020,500.00
3 CURRENT ASSETS, LOANS & ADVANCES			
INVENTORIES	G	610,360,115.00	660,505,342.00
SUNDRY DEBTORS	H	248,098,015.63	107,495,125.09
CASH & BANK BALANCES	I	16,504,586.31	14,529,784.51
OTHER CURRENT ASSETS	J	17,252,092.20	23,314,963.99
LOANS & ADVANCES	K	917,357.91	818,283.90
		<u>893,132,167.05</u>	<u>806,663,499.49</u>
LESS : CURRENT LIABILITIES	L	117,050,390.31	125,393,769.74
NET CURRENT ASSETS		<u>776,081,776.74</u>	<u>681,269,729.75</u>
TOTAL (1+2+3)		<u><u>1,015,924,884.70</u></u>	<u><u>919,475,939.71</u></u>
Notes on Accounts	M		

As per our attached report of even date

For and on behalf of the Board of Directors

For **SHASHI CHADHA & CO.**
Chartered Accountants
Firm Registration No. : 15666N

H. C. GARG
Chairman cum Managing Director

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

ROHIT GARG
Whole-time Director

New Delhi
May 30, 2011

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

PARTICULARS	SCHEDULES	CURRENT YEAR ENDED 31.03.2011 (Rupees)	PREVIOUS YEAR ENDED 31.03.2010 (Rupees)
A INCOME			
SALES	N1	1,700,849,282.27	2,756,519,467.12
OTHER INCOME	N2	-	312,581.56
INCREASE/(DECREASE) IN STOCK	N3	67,266,152.00	312,024,467.00
		<u>1,768,115,434.27</u>	<u>3,068,856,515.68</u>
B EXPENDITURE			
COST OF MATERIAL CONSUMED	O	1,507,187,023.48	2,685,454,105.11
MANUFACTURING EXPENSES	P	81,428,119.43	116,947,231.41
ADMINISTRATIVE & SELLING EXPENSES	Q	103,143,013.76	160,006,972.00
FINANCIAL EXPENSES	R	36,050,526.30	34,505,756.76
OTHER EXPENSES	S	4,621,935.25	5,139,312.09
		<u>1,732,430,618.22</u>	<u>3,002,053,377.37</u>
C PROFIT BEFORE DEPRECIATION		35,684,816.05	66,803,138.31
D DEPRECIATION		11,418,591.43	10,580,428.19
E PROFIT AFTER DEPRECIATION (C-D)		24,266,224.62	56,222,710.12
F PROVISION FOR DEFERRED TAXES		1,588,967.00	2,667,839.00
G PROVISION FOR DIVIDEND		3,689,500.00	7,379,000.00
H PROVISION FOR TAX ON DIVIDEND		598,529.00	1,254,062.00
I PROFIT AFTER DIVIDEND (E-F-G-H)		18,389,228.62	44,921,809.12
J PROVISION FOR TAXES		6,641,170.00	16,782,381.00
K PROFIT AFTER TAX (I-J)		11,748,058.62	28,139,428.12
PROFIT CARRIED TO BALANCE SHEET		11,748,058.62	28,139,428.12
Notes on Accounts	M		

As per our attached report of even date

For and on behalf of the Board of Directors

For **SHASHI CHADHA & CO.**
Chartered Accountants
Firm Registration No. : 15666N

H. C. GARG
Chairman cum Managing Director

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

ROHIT GARG
Whole-time Director

New Delhi
May 30, 2011

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2011**

	2010-2011 (Rs. in Thousand)	2009-2010 (Rs. in Thousand)
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX, INTEREST AND EXTRAORDINARY ITEMS	56,973.19	86,617.24
ADJUSTMENT FOR :		
DEPRECIATION	11,418.59	10,580.43
LOSS ON SALE OF FIXED ASSETS	-	720.40
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	68,391.78	97,918.07
ADJUSTMENT FOR :		
1. TRADE & OTHER RECEIVABLES	(140,602.89)	(62,659.26)
2. INVENTORIES	50,145.23	(264,112.94)
3. TRADE PAYABLES	5,224.90	35,463.31
4. OTHER CURRENT ASSETS	5,963.80	(386.06)
5. OTHER CURRENT LIABILITIES	(13,568.28)	(4,701.60)
CASH GENERATED FROM OPERATIONS	(24,445.47)	(198,478.49)
DIRECT TAXES PAID	(8,230.14)	(19,450.22)
NET CASH FROM OPERATING ACTIVITIES	<u>(32,675.61)</u>	<u>(217,928.71)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS	(1,636.90)	(18,627.25)
SALE OF FIXED ASSETS	-	1,530.00
NET CASH FLOW FROM INVESTING ACTIVITIES	<u>(1,636.90)</u>	<u>(17,097.25)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM BORROWINGS	73,282.29	281,380.29
DIVIDEND	(3,689.50)	(7,379.00)
TAX ON DIVIDEND	(598.53)	(1,254.06)
INTEREST PAID	(32,706.96)	(30,394.53)
NET CASH FLOW FROM FINANCING ACTIVITIES	<u>36,287.30</u>	<u>242,352.70</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,974.80	7,326.75
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	14,529.78	7,203.03
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	16,504.58	14,529.78

For and on behalf of the Board of Directors

For **SHASHI CHADHA & CO.**
Chartered Accountants
Firm Registration No. : 15666N

H.C. GARG
Chairman cum Managing Director

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

ROHIT GARG
Whole-time Director

New Delhi
May 30, 2011

AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement of GRM OVERSEAS LIMITED derived from the Audited Financial Financial Statements for the year ended 31st March, 2011 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 Accountants
Firm Registration No. : 15666N

New Delhi
May 30, 2011

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


SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	AS AT 31.03.2011 (Rupees)	AS AT 31.03.2010 (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	56,851,189.10	45,432,597.67
GENERAL RESERVE	54,457,325.69	54,457,325.69
REVALUATION RESERVE	19,485,409.00	19,485,409.00
PROFIT & LOSS ACCOUNT	94,901,865.39	83,153,806.77
FORFIETURE SHARE CAPITAL RESERVE	5,908,495.00	5,908,495.00
FORFIETURE SHARE PREMIUM RESERVE	5,908,495.00	5,908,495.00
TOTAL	244,423,994.18	221,257,344.13
SCHEDULE 'C' - SECURED LOANS		
STATE BANK OF INDIA EPC	592,156,928.52	540,208,500.58
STATE BANK OF INDIA SLC	100,664,780.00	99,967,492.00
TOTAL	692,821,708.52	640,175,992.58
SCHEDULE 'D' - UNSECURED LOANS		
LOANS FROM DIRECTORS	41,784,182.00	21,147,603.00
TOTAL	41,784,182.00	21,147,603.00

SCHEDULE 'E' - GROSS BLOCK / DEPRECIATION CHART AS PER COMPANIES ACT, 1956 FOR THE YEAR ENDED 31.03.2011

S.No.	PARTICULARS	OP. BALANCE	ADDITION	TOTAL	RATE	DEPRECIATION	BALANCE
(PANIPAT UNIT)							
1	LAND	15,488,000.00	-	15,488,000.00	-	-	15,488,000.00
2	BUILDING	14,079,790.54	-	14,079,790.54	3.34%	470,265.00	14,079,790.54
3	PLANT & MACHINERY	96,048,030.68	1,556,635.00	97,604,665.68	5.28%	5,127,366.33	97,604,665.68
4	WATER TREATMENT PLANT	643,350.00	-	643,350.00	5.28%	33,968.88	643,350.00
5	TRIPAULS	6,651,342.34	-	6,651,342.34	5.28%	351,190.88	6,651,342.34
6	MOTOR TRUCKS	1,595,569.00	-	1,595,569.00	9.50%	151,579.06	1,595,569.00
7	MOTOR CARS	9,884,820.00	-	9,884,820.00	9.50%	939,057.90	9,884,820.00
8	SCOOTER	74,670.00	-	74,670.00	9.50%	7,093.65	74,670.00
9	FURNITURE	207,365.00	-	207,365.00	6.33%	13,126.20	207,365.00
10	OFFICE EQUIPMENTS	953,875.65	66,023.00	1,019,898.65	6.33%	61,296.33	1,019,898.65
11	COMPUTER	50,400.00	14,240.00	64,640.00	6.33%	3,866.98	64,640.00
12	CYCLE	4,900.00	-	4,900.00	9.50%	465.50	4,900.00
13	TRACTOR	1,041,650.00	-	1,041,650.00	9.50%	98,956.75	1,041,650.00
(NAULTHA UNIT)							
1	LAND	7,387,725.00	-	7,387,725.00	-	-	7,387,725.00
2	BUILDING	8,925,821.75	-	8,925,821.75	3.34%	298,122.45	8,925,821.75
3	PLANT & MACHINERY	73,148,400.00	-	73,148,400.00	5.28%	3,862,235.52	73,148,400.00
TOTAL		236,185,709.96	1,636,898.00	237,822,607.96		11,418,591.43	237,822,607.96

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

<i>PARTICULARS</i>	<i>AS AT 31.03.2011 (Rupees)</i>	<i>AS AT 31.03.2010 (Rupees)</i>
SCHEDULE 'F' - INVESTMENTS		
SMALL SAVING A/C GPO	20,500.00	20,500.00
SHARES OF PARADISE ACADEMY	2,000,000.00	2,000,000.00
TOTAL	2,020,500.00	2,020,500.00
SCHEDULE 'G' - INVENTORIES		
TOTAL	610,360,115.00	660,505,342.00
SCHEDULE 'H' - SUNDRY DEBTORS		
MORE THAN 6 MONTHS	-	26,647,867.00
OTHER DEBTS	248,098,015.63	80,847,258.09
TOTAL	248,098,015.63	107,495,125.09
SCHEDULE 'I' - CASH & BANK BALANCES		
TOTAL	16,504,586.31	14,529,784.51
SCHEDULE 'J' - OTHER CURRENT ASSETS		
VAT RECEIVABLE	7,935,551.20	4,956,710.99
PREPAID INSURANCE	528,832.00	561,865.00
PREPAID CAR INSURANCE	17,333.00	27,793.00
SECURITY DEPOSITS	1,783,419.00	1,783,419.00
POST OFFICE/N.S.C.etc.	13,000.00	13,000.00
INCOME TAX REFUNDABLE	44,260.00	44,260.00
ADVANCE TAX	6,571,400.00	15,522,100.00
T.D.S. RECEIVABLE	41,096.00	38,417.00
INTEREST ACCRUED BUT NOT DUE	317,201.00	367,399.00
TOTAL	17,252,092.20	23,314,963.99

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

PARTICULARS	AS AT 31.03.2011 (Rupees)	AS AT 31.03.2010 (Rupees)
SCHEDULE 'K' - LOANS & ADVANCES		
ADVANCES TO SUPPLIERS	917,357.91	818,283.90
TOTAL	917,357.91	818,283.90
SCHEDULE 'L' - CURRENT LIABILITIES		
SUNDRY CREDITORS	91,363,026.31	86,138,126.74
ADVANCES RECEIVED	458,614.00	929,804.00
E.S.I.	6,169.00	9,280.00
PROVIDENT FUND	26,025.00	36,473.00
ELECTRICITY EXPENSES	903,200.00	872,677.00
LABOUR CHARGES	185,879.00	224,328.00
SALARIES	76,708.00	78,428.00
STICHING & PRINTING EXPENSES	78,500.00	62,551.00
T.D.S. PAYABLE	1,118,937.00	1,393,478.00
TELEPHONE EXPENSES	-	7,238.00
AUDIT & LEGAL FEES	135,000.00	67,500.00
PROVISION FOR DEFERRED TAXES	11,643,510.00	10,054,543.00
PROVISION FOR DIVIDEND	3,689,500.00	7,379,000.00
PROVISION FOR TAX ON DIVIDEND	598,529.00	1,254,062.00
SERVICE TAX	-	528.00
BONUS	125,623.00	103,372.00
PROVISION FOR TAX	6,641,170.00	16,782,381.00
TOTAL	117,050,390.31	125,393,769.74

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT**

PARTICULARS	CURRENT YEAR ENDED 31.03.2011 (Rupees)	PREVIOUS YEAR ENDED 31.03.2010 (Rupees)
SCHEDULE 'N1' - SALES		
EXPORT SALES	1,453,063,986.57	2,523,170,634.38
LOCAL/CENTRAL	247,785,295.70	233,348,832.74
TOTAL	1,700,849,282.27	2,756,519,467.12
SCHEDULE 'N2' - OTHER INCOME		
AGRICULTURAL INCOME	-	49,921.56
MILLING CHARGES	-	173,380.00
OTHER INCOME	-	89,280.00
TOTAL	-	312,581.56
SCHEDULE 'N3' - INCREASE/(DECREASE) IN STOCK		
CLOSING STOCK	568,503,219.00	501,237,067.00
OPENING STOCK	501,237,067.00	189,212,600.00
	67,266,152.00	312,024,467.00
SCHEDULE 'O' - COST OF MATERIAL CONSUMED		
OPENING STOCK	159,268,275.00	207,179,805.00
PURCHASES	1,389,775,644.48	2,637,542,575.11
	1,549,043,919.48	2,844,722,380.11
CLOSING STOCK	41,856,896.00	159,268,275.00
	1,507,187,023.48	2,685,454,105.11
SCHEDULE 'P' - MANUFACTURING EXPENSES		
BOILER EXPENSES	338,057.00	667,393.25
COMMISSION	9,543,988.50	13,805,634.00
ELECTRICITY, POWER & FUEL	28,970,564.00	38,601,934.60
LABOUR CHARGES	1,738,324.00	1,993,407.00
GOVT. FEES & TAXES	19,897,609.00	32,108,057.00
FREIGHT & CARTAGE	16,079,936.78	21,423,936.80
SORTEX EXPENSES	450,959.00	732,676.08
STICHING & PRINTING	721,085.00	1,210,886.00
STORES PURCHASE	3,650,706.15	6,346,516.68
TESTING CHARGES	36,890.00	56,790.00
TOTAL	81,428,119.43	116,947,231.41



PARTICULARS	CURRENT YEAR ENDED 31.03.2011 (Rupees)	PREVIOUS YEAR ENDED 31.03.2010 (Rupees)
SCHEDULE 'Q' - ADMINISTRATIVE & SELLING EXPENSES		
RENT	2,124,149.00	2,323,201.00
BUILDING REPAIRS	271,326.00	205,153.00
ADVERTISEMENT EXPENSES	199,871.00	50,336.00
AUDITOR'S REMUNERATION	75,000.00	75,000.00
CONSULTANCY CHARGES	292,492.00	108,911.00
TOUR & TRAVELLING EXPENSES	828,058.00	287,181.00
BUSINESS PROMOTION	-	423,687.00
SHIPPING & FORWARDING	56,846,609.22	74,540,117.29
FREIGHT & CARTAGE	25,101,879.00	56,974,020.86
CAR INSURANCE CHARGES	209,122.00	62,880.00
INSURANCE CHARGES	1,853,505.55	2,692,819.25
FRINGE BENEFIT TAX	-	1,515.00
MISC. EXPENSES	64,484.21	49,316.18
ENTERTAINMENT EXPENSES	74,780.00	112,620.00
PACKING EXPENSES	6,886,693.31	9,365,034.86
PRINTING & STATIONERY & POSTAGE	253,551.00	246,684.76
REPAIR & MAINTENANCE	3,653,566.27	7,357,755.34
ELECTRIC REPAIRS	839,944.20	1,405,822.46
REMUNERATION TO STAFF	1,068,542.00	1,399,673.00
DIRECTORS REMUNERATION	1,920,000.00	1,620,000.00
TELEPHONE EXPENSES	304,971.00	274,547.00
TRUCK EXPENSES	274,470.00	430,697.00
TOTAL	103,143,013.76	160,006,972.00
SCHEDULE 'R' - FINANCIAL EXPENSES		
BANK CHARGES	3,343,565.30	4,111,227.34
BANK INTEREST	30,218,566.00	28,122,674.13
INTEREST	2,488,395.00	2,271,855.29
TOTAL	36,050,526.30	34,505,756.76
SCHEDULE 'S' - OTHER EXPENSES		
BONUS	125,623.00	103,372.00
CAR & SCOOTER EXPENSES	611,285.00	612,923.00
LOCAL CONVEYANCE	80,830.00	106,140.00
CHARITY & DONATION	105,700.00	-
DOCUMENT ATTESTATION	111,250.00	101,900.00
LICENCE FEES & GOVT. FEES	1,451,750.00	1,524,614.00
P.F. & E.S.I.	431,390.00	398,302.00
REBATE AND DISCOUNT	1,101,525.25	1,115,804.09
SERVICE TAX	14,971.00	405,757.00
SALE TAX	22,502.00	-
SUBSCRIPTION EXPENSES	47,500.00	32,500.00
LOSS ON SALE OF CAR	-	720,400.00
INCOME/WEALTH TAX	517,609.00	17,600.00
TOTAL	4,621,935.25	5,139,312.09

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011.****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., S.C.B. 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 recognizes 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	157,092.246	499,553,342.00	102,897.638	189,212,600.00
Paddy	83,125.525	150,457,209.00	155,139.345	199,320,482.00
Bardana (Bags)	835,612.000	8,811,066.00	689,479.000	5,929,519.00
Rice Bran	2,116.295	1,683,725.00	2,522.620	1,929,804.00
Total		660,505,342.00		396,392,405.00
CLOSING STOCK				
Rice	162,108.848	567,056,750.00	157,092.246	499,553,342.00
Paddy	13,447.970	34,225,084.00	83,125.525	150,457,209.00
Bardana (Bags)	567,421.000	7,631,812.00	835,612.000	8,811,066.00
Rice Bran	1,498.000	1,446,469.00	2,116.295	1,683,725.00
Total		610,360,115.00		660,505,342.00
PRODUCTION/PURCHASE				
Rice (Purchased)	158,255.838	633,252,734.89	282,435.860	1,415,129,827.10
Rice (Produced)	229,286.100	—	377,164.000	—
Paddy	293,599.205	717,893,178.59	521,201.390	1,172,700,038.75



Particulars	Current Year		Previous Year	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
TURNOVER				
Rice	382,318.536	1,673,374,036.16	605,119.552	2,715,618,454.71
RAW MATERIALS CONSUMED				
Paddy (Milled)	363,276.760	-	593,186.000	-
Shortages :				
Rice	206.800	-	285.700	-
Paddy	-	-	29.210	-

6. Earning Per Share

31.03.2011	4.18
31.03.2010	9.63

7. Additional Information

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

8. Expenditure on employees

Employees in receipt of remuneration in aggregate not less than Rs.60,00,000/- per annum if employed throughout the year or Rs.5,00,000/- per month if employed for the part of the year.

No. of employees	: NONE
Amount	: Nil

for **SHASHI CHADHA & CO.**
Chartered Accountants
Firm registration no.15666N

Place : New Delhi
Date : May 30, 2011

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 Date	03 Month	2011 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	1015925	Total Assets	1015925
Sources of Funds		Application of Funds	
Paid-up Capital	36895	Fixed Assets (Gross Block)	237822
Reserve & Surplus	244424	Investment	2021
Secured Loan	692822	Net Current Assets	776082
Unsecured Loan	41784	Misc. Expenditure	NIL
Accumulated Losses	NIL		

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

Turnover and other Receipts	1700849
Total Expenditure	1676583
Profit/Loss before Tax	24266
Profit/Loss after Tax	15438
Earning per Share (Rs.)	4.18
Dividend rate %	10%

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCT/SERVICES OF COMPANY

(AS PER MONETARY TERMS)

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

For and on behalf of the Board of Directors

H. C. GARG*Chairman cum Managing Director***ROHIT GARG***Whole-time Director*

Place : New Delhi
Date : May 30, 2011



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/DP ID & CLIENT ID

NO. OF SHARES

I/We hereby record my/our presence at the 17th Annual General Meeting of the Company to be held on Friday, the 30th September, 2011 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/DP ID & CLIENT ID

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 17th Annual General Meeting of the Company to be held on Friday, the 30th September, 2011 at 9.30 A.M. at 219-A, Rama Market, Pitam Pura, Delhi - 110 034 or at any adjournment thereof.

Signed this _____ day of _____ 2011. 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

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219-A, Rama Market, Pitampura
Delhi - 110 034