

Date: 01st October, 2019

T0,
Department of Corporate Services,
Bombay Stock Exchange Limited,
Ground Floor, P. J. Towers,
Dalal Street Fort,
Mumbai- 400001

Scrip Code: 531449

Dear Sir/Madam,

Sub: Investor Communication on Financial Results for the First Quarter (Q1) of Financial Year 2019-2020.

Pursuant to the provisions of Regulation 30 read with Para A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we are pleased to enclose herewith Investor Communication of the Company on Financial Results for the First Quarter (Q1) of Financial Year 2019-2020.

You are requested to take the above on your records and acknowledge the same.

For GRM Overseas Limited



Balveer Singh
Company Secretary
M. No. 59007

CIN-L74899DL1995PLC064007

Reinventing the GRM Brand

Cultivating the future of rice exports



Q1 FY2020
Earning Presentation

The GRM Brand today

- GRM Overseas is the third largest basmati rice exporter to the world and second largest to the Middle East*
- Exporting high quality traditional basmati varieties of rice to UAE, US, UK and other European countries
- Presence of own brands under the name “Himalayan River” “Tanoush” and “7Express” at large retailers in UK, Poland, Netherlands, UAE etc.

Moving towards the next phase of growth...

Reinventing the Business

- Diversifying from traditional basmati rice offerings to high margin own brands of basmati rice
- Focusing on expansion into other major large retail stores and supermarkets across UAE, Europe and North America
- Focus on supplying specialized / folk and organic rice varieties with signature recipes
- Poised to enter the Canada market
- Acquired a production facility in Gandhidham, Gujarat, doubling the current production capacity



Redefined Value Proposition



Integrated Business Model



Niche Product Market



Increasing Market Traction

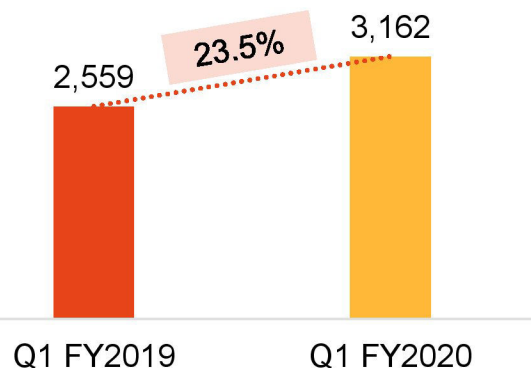


Enhanced R&D Capabilities

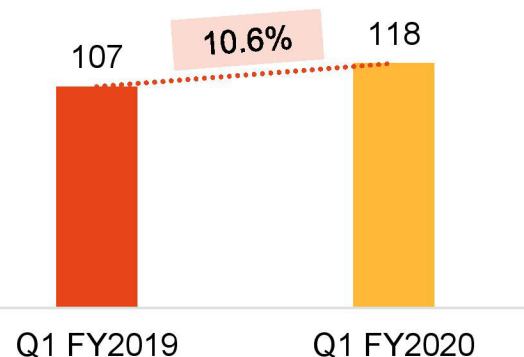
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Q1 FY2020 Performance Highlights*

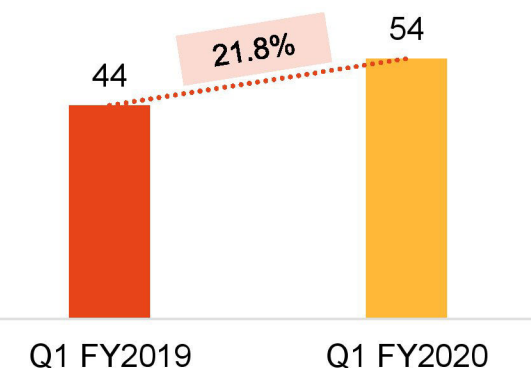
Revenue (INR Mn.)



EBITDA (INR Mn.)



PAT (INR Mn.)



Commenting on the results and performance, **Mr. Atul Garg, MD** said:

During the Q1 FY2020, GRM has reported robust financial and operational performance supported by increasing international business. The Company has reported a strong revenue growth of 24% primarily driven by higher exports sales. Moreover, during the quarter domestic business also started making contribution to the top line.

In the international market, we have received very positive response for our own brand 'Tanoush' which is launched in UAE in alliance with M/s MAN Consumer and expected to increase traction going forward. Moreover, the Company also plans to expand operations in the UAE through tie-up with other retail stores. In addition, as part of our strategy of increasing presence in the domestic market, we are in advance stages of discussion for tie-up with a large retail chain.

Going forward, with increased operational capacity after recent acquisition at Gandhidham, improving operational efficiency, growing domestic business coupled with better recognition to our brands in the international markets, we are confident of achieving our business goals and maximize shareholders value creation."

Building momentum for the next phase of our growth story...



Q1 FY2020 Profit & Loss*

(INR Million)	Q1 FY2020	Q1 FY2019	Y-o-Y %	FY2019	FY2018	Y-o-Y %
Total Income from Operations	3,161.6	2,559.4	23.5%	10,706.3	9,249.6	15.7%
EBITDA	117.9	106.6	10.6%	416.7	348.6	19.5%
<i>EBITDA Margin</i>	3.7%	4.2%		3.9%	3.8%	
EBIT	113.3	101.6	11.5%	409.6	328.3	24.8%
<i>EBIT Margin</i>	3.6%	4.0%		3.8%	3.5%	
Finance Cost	30.7	38.5	(20.4)%	158.5	147.4	7.5%
PBT	82.6	63.0	31.1%	251.2	181.0	38.8%
<i>PBT Margin</i>	2.6%	2.5%		2.3%	2.0%	
Tax	28.9	18.9	52.7%	88.7	64.2	38.1%
PAT	53.8	44.1	21.8%	162.5	116.8	39.1%
<i>PAT Margin</i>	1.7%	1.7%		1.5%	1.3%	
Basic EPS	14.57	11.96	21.8%	44.03	31.64	39.2%

Comments

Revenue growth mainly driven by increased exports sales

EBIDTA margin impacted by expenses incurred for sales promotion the benefit of which will be derived in the coming quarters

* Standalone Financials



- GRM achieved a new milestone in its 40 year history in FY 2018 by starting the supply of own branded products to European retailers. Currently, the Company is focused on expanding sales of own branded products to newer geographies
 - Present list of Customers include ASDA (Walmart UK), T.J. Morris and B&M in the UK; Albert Heijn in Holland; Metro in Poland and Carrefour in the UAE
 - GRM entered into an agreement with TESCO UK and currently sells its 'Himalaya River' basmati rice which is available in 5 kg and 10 kg pouches in around 220 TESCO stores across the UK
- Recent launches include Tanoush, Tanoush Organic and 10X which are premium basmati rice offerings geared at the fast-growing health conscious population in particularly Europe, USA and Australia
- Launch of its brand "Tanoush" in the domestic market by appointment of distributors in Bihar , U.P. , Maharashtra, Delhi/NCR, Madhya Pradesh and West Bengal and has also started the listing process with modern trade partners in India. Currently caters to over 10,000 general trade outlets
- Expanded exports to more than 8 new countries
- GRM has recently acquired an additional production facility at Gandhidham, Gujarat comprising of land, building and two sortex plants, having processing capacity of 800 MT per day

Expanding branded basmati sales to drive future growth



A Wealth of Experience

Over 40 years in the Rice business with a legacy of supplying products of the highest quality

Export Oriented

Around 90% of our Revenues are generated from exports to the Middle East; with presence in US, UK and Europe markets. Set to enter Canada market

Leading Indian Exporter

Third largest basmati rice exporter to the world and second largest to the Middle East as per APEDA data

Global Standards

Stringent proactive quality control procedures in place as per International requirements

Moving up the Value Chain

Focused on high quality High margin offerings such as branded basmati and specialized rice varieties

Diversified Basket of Rice Products

A variety of rice offerings catering to a mix of consumer preferences including basmati rice and specialised varieties of rice

Robust Financial Performance

Revenue and Net Profit have achieved a CAGR of 46.1% and 64.2% respectively, over the last 3 years

“GRM has always believed in delivering the best. We are constantly focused on raising the standards...”



Market Segment

Product Offerings

Key Customers

Basmati



Specialised

Red Rice, Black Rice, Smoke Rice,
Folk rice varieties



Strategically moving towards high margin products



Procurement

- Strong relationships with local farming communities
- Access to best quality of produce
- Generally procurement undertaken with spot payments, no long term contracts
- Partnered with Certified Grower Group consisting of 956 farmers, with farming area of 1881 hectares, and certification of NPOP+NOP

Processing

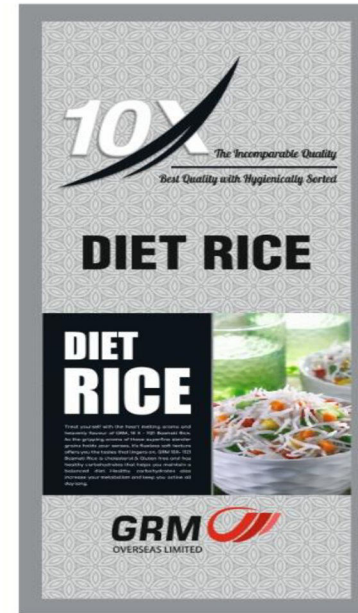
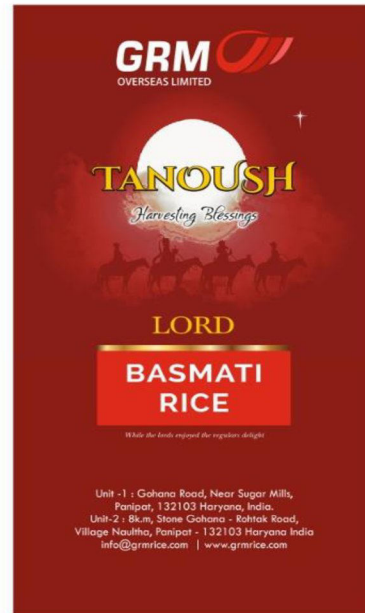
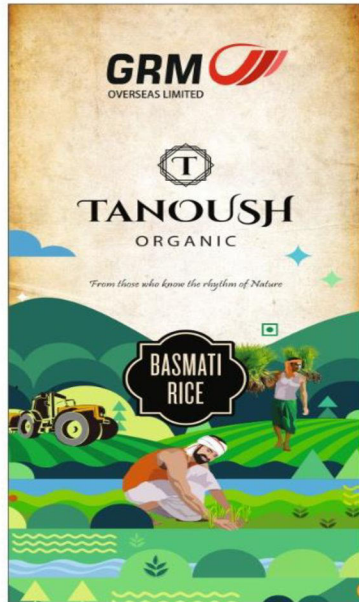
- Factory at Panipat equipped with 3 milling plants, with a capacity of 550 MT per day. This facility will be helpful to cater to domestic market, in particular
- Additional facility with production capacity of 800 MT per day and two sortex plants at Gandhidham, Gujarat. A warehousing facility with a space of >1.00 lakh sq. ft. adjacent to new factory is also operational. All this facilitates speedy shipments from Kandhla and Mundra ports
- Labs include moisture meters, lab de-huskers, electronic Vernier Calipers, precision electronic weighing scales, paddy separators and lab-polishers
- Strong focus on quality control and development of ERP systems and separate program to enable traceability of product from the shelf to the farm, essential for stringent western markets

Distribution Channels

- Sales & distribution offices and warehousing facilities in the UK to service European markets
- Sales & distribution office in the US through step down subsidiary GRM Fine Foods Inc.
- Network of 8 distributors and agents in the Middle East
- Access to 668 supermarket stores and 103 ethnic stores in UK

Best in class procurement and processing facilities with a global distribution network





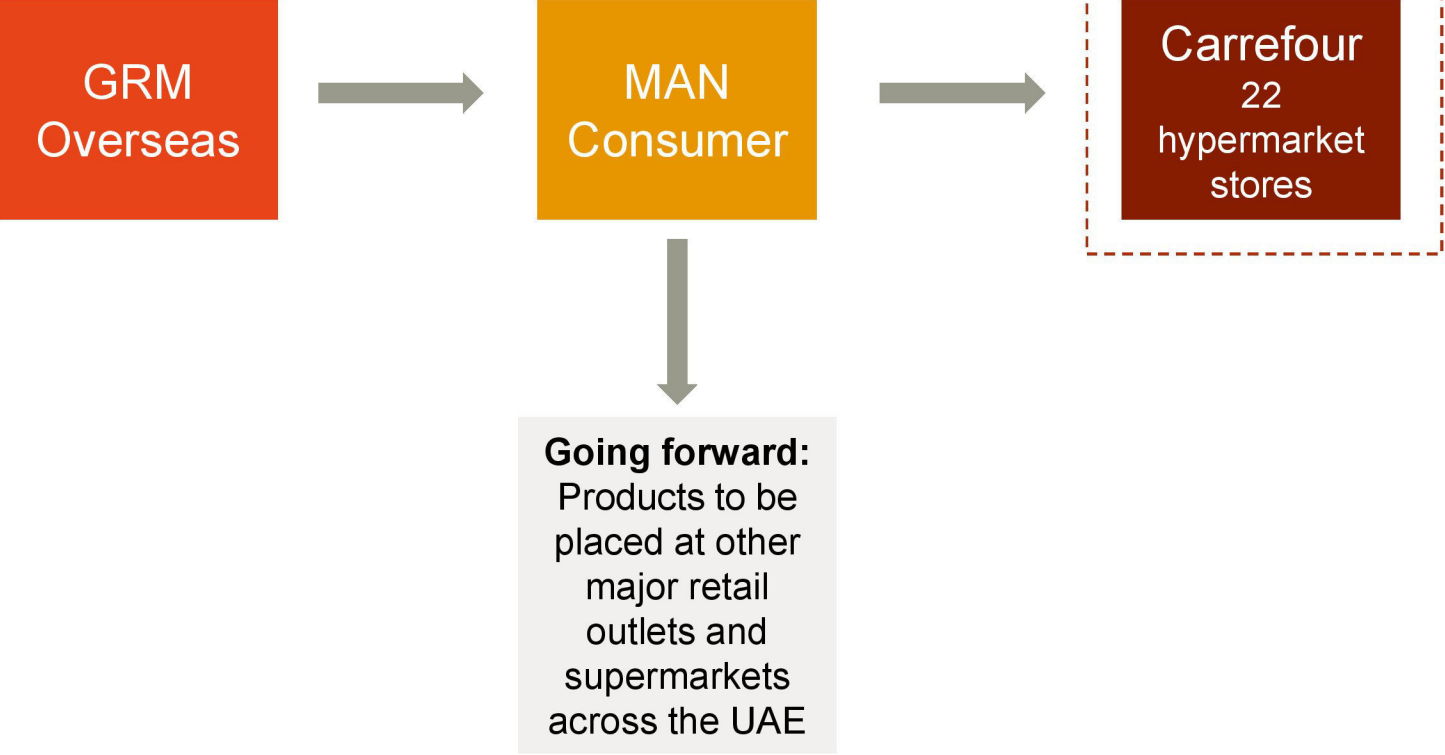
- **Objective:** To bring natural foods grown locally by farmers who do not use chemicals to affect the product yield
- **Target Market:** The fast-growing health conscious population in particularly Europe, USA and Australia

- **Objective:** Focused on growth in the UK Market and building brand value
- **Target Market:** Expand presence in the UK

Strategically moving towards higher margin products



Partnership allows distribution of Tanoush brands in 22 Carrefour hypermarket stores



‘Tanoush’ is GRM’s most premium old aged basmati rice offering which comes in four variants, namely, ‘Emperor’, ‘King’, ‘Duke’ and ‘Lord’

MAN Consumer is one of the fastest growing FMCG distributors in the UAE

Focused on expanding sales of own brands in the UAE



Strategic Rationale

1. Creation of manufacturing capacity at a strategic location to cater to the growing international demand for GRM's branded products
2. Proximity to the Mundra port which is our port of shipment will not only result in lower logistics costs but also reduce transit time for export orders
3. Equipped with newer machinery and the latest technologies which significantly improve overall operational efficiency
4. Enhance GRM readiness to fulfil export orders
5. Quality assurance and adherence to strict international standards, better tech new machines
6. Inhouse warehouse will ensure better inventory management
7. Inhouse production and packaging will result in savings of job work cost and improve overall profitability

	Manufacturing Facility	Adjoining Plot of Land for Warehousing Facility
Cost of Acquisition and additions	Rs. 12 Cr	Rs. 4.65 Cr
Source of Funds	Internal Accruals	Internal Accruals
Location	Gandhidham, Kutch, Gujarat	

Equipped to meet the growing International Demand for our



GRM is focused on growing its branded high margin business while minimizing additional private label business

International Business

- Focusing on expansion into other major large retail stores and supermarkets across UAE, Europe and North America
- UK subsidiary is expected to breakeven in FY2020 and contribute to bottom line thereafter
- Working on developing the branded product portfolio to cater international customer preferences

Domestic Business

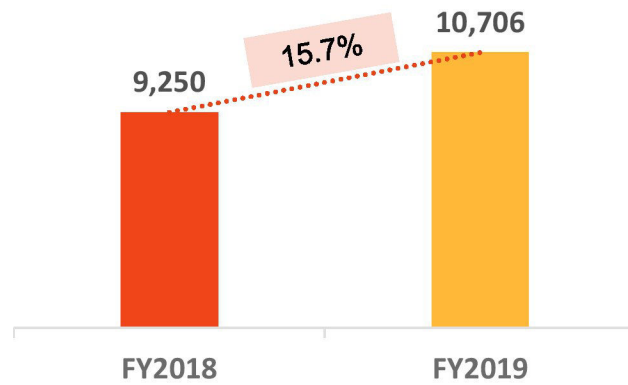
- Targeting expansion into Uttar Pradesh, Rajasthan and Bihar in the coming months
- Targeting coverage of 20% of all general trade outlets in our geographies
- Developing branded basmati rice variants to cater to Indian preferences at the desired price point
- Undertaking marketing and promotional activities in the targeted geographies to increase awareness and demand for our products

Increased sales from the portfolio of GRM's own brands are expected to drive profitability and margin expansion going forward

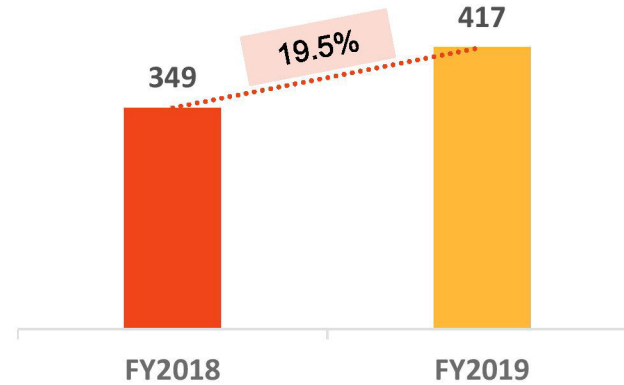
Expanding sales of our own branded products across the domestic and international markets



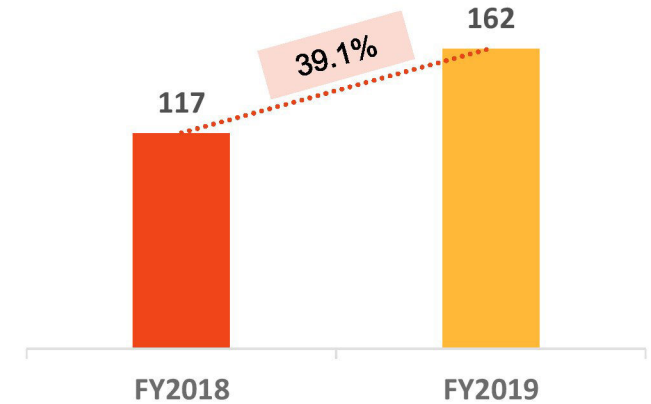
Total Revenue



EBITDA



PAT

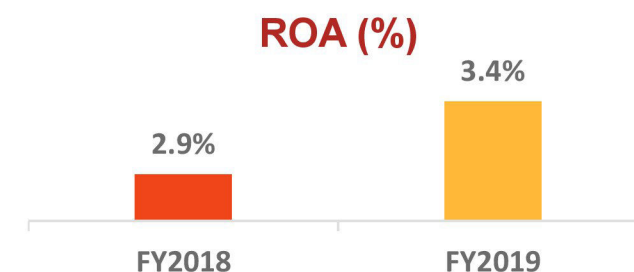
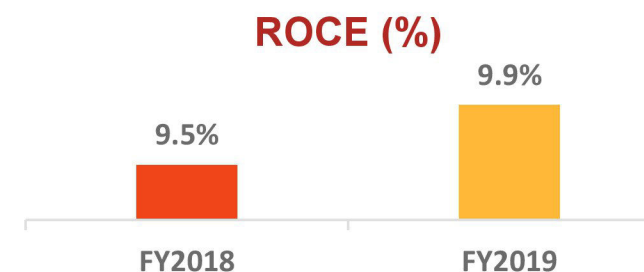
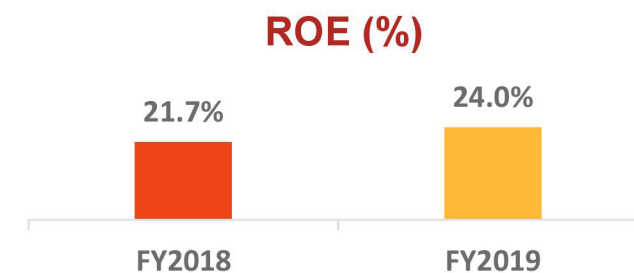


Note – All financial numbers are in INR million

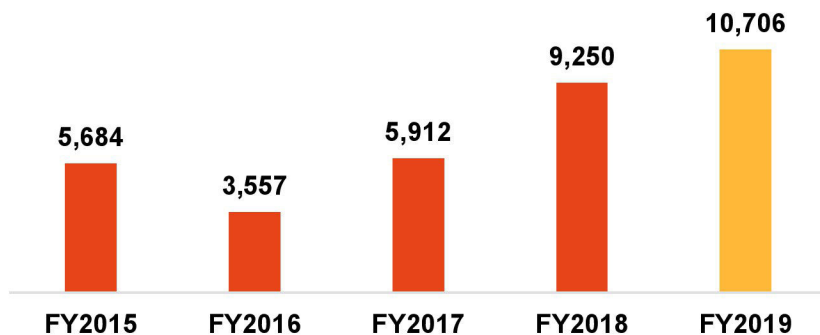
Achieved improved revenues and profitability in FY2019



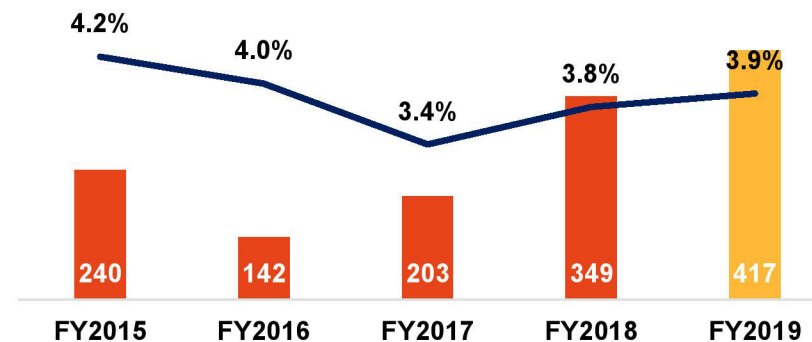
(INR Million)	FY2019	FY2018
Short Term Debt	3,472	2,905
Long Term Debt	5	6
Total Debt	3,476	2,912
Cash and Cash Equivalents	14	4
Net Debt	3,462	2,908
Total Shareholder Equity	678	538
Net Debt to Equity (x)	5.1x	5.4x
Interest Coverage Ratio (x)	2.6x	2.2x



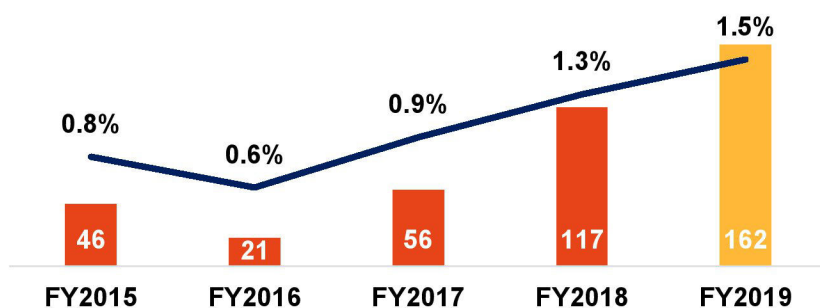
Revenue



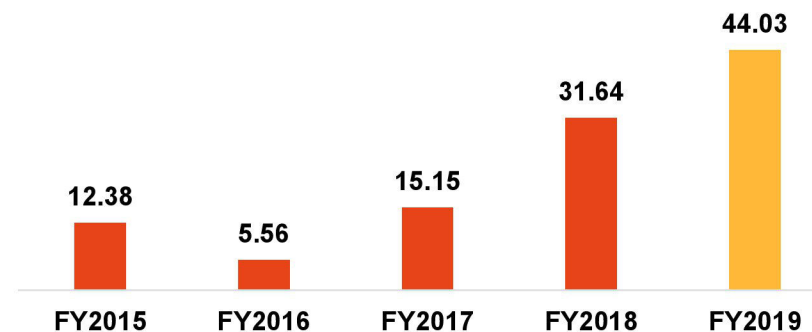
EBITDA



PAT



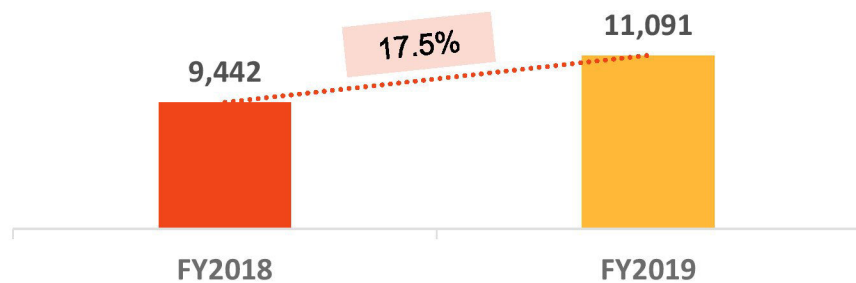
Basic EPS (Rs.)



Note – All financial numbers are in INR million unless specified



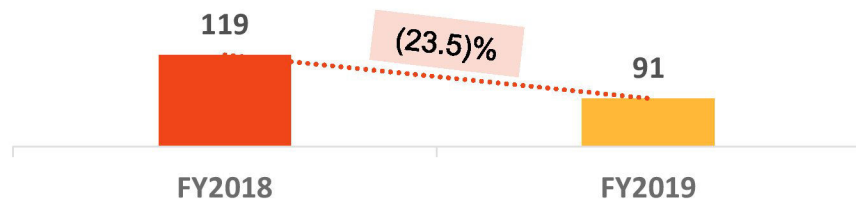
Total Revenue



EBITDA



PAT



(INR Million)

FY2019

FY2018

Short Term Debt

3,472

2,905

Long Term Debt

5

6

Total Debt

3,476

2,912

Cash and Cash Equivalents

32

11

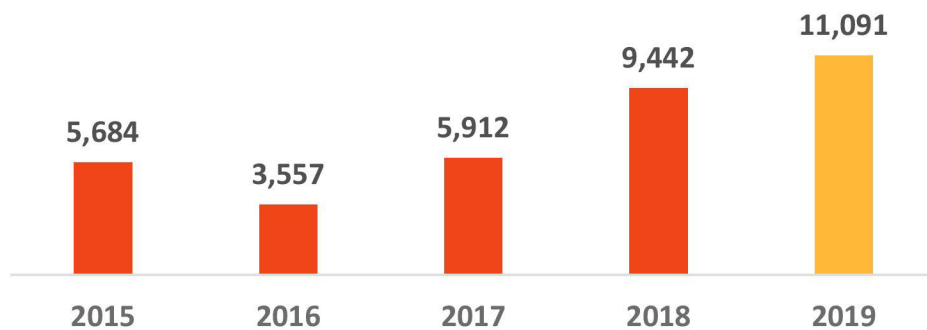
Net Debt

3,444

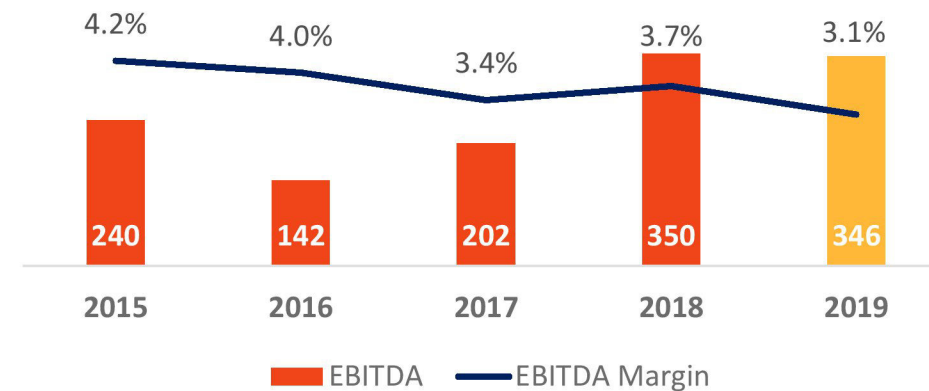
2,901



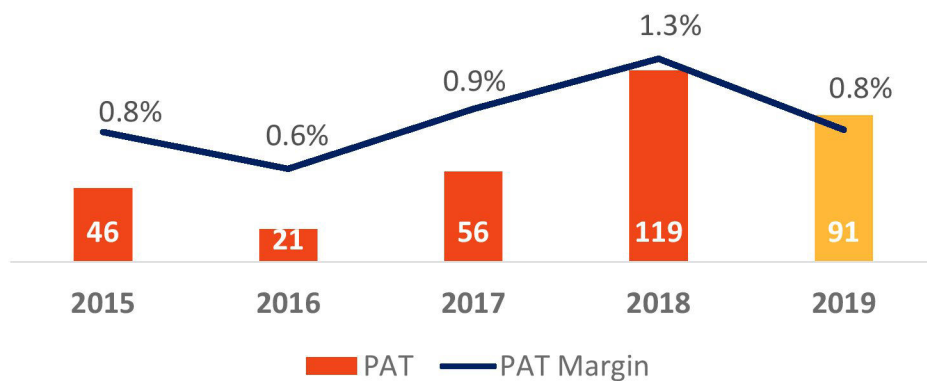
Revenue



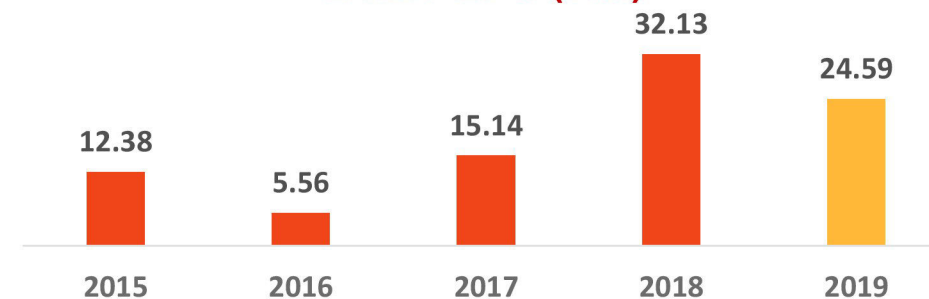
EBITDA



PAT



Basic EPS (Rs.)



Note – All financial numbers are in INR million unless specified



This presentation contains statements that are “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to GRM Overseas’ future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

GRM Overseas undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

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