

11th ANNUAL REPORT 2004-2005

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GRM OVERSEAS LIMITED

ELEVENTH ANNUAL GENERAL MEETING

Day : Friday
Date : 30th September, 2005
Time : 9.30 A. M.
Venue : GRM OVERSEAS LIMITED
219-A, Rama Market,
Pitam Pura, Delhi – 110 034.

BOARD OF DIRECTORS

Shri Hukam Chand Garg
Chairman-cum-Mg.Director
Shri Rohit Garg (Whole-time Director)
Shri Udit Rai Kapoor
Shri Raj Kumar
Shri Chetan Kapoor

COMPANY SECRETARY

Mr. Raj Kumar Arora

BANKERS

STATE BANK OF INDIA
G.T. Road,
Panipat.

AUDITORS

SHASHI CHADHA & CO.
Chartered Accountants
579-A, Model Town,
Panipat – 132 103

REGD.OFFICE

GRM OVERSEAS LTD.
219-A, Rama Market
Pitam Pura,
Delhi – 110 034.

WORKS

GRM OVERSEAS LTD.
Gohana Road
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 – 110033

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GRM OVERSEAS LIMITED

NOTICE

Notice is hereby given that the 11th Annual General Meeting of the Company will be held as under:

Day	:	Friday
Date	:	30 th September 2005
Time	:	09:30 a.m.
Venue	:	219-A, Rama Market, Pitampura, Delhi – 110 034.

to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt the Directors' Report, Auditors' Report and Audited Accounts of the company for the year ended 31st March 2005.
2. To declare dividend for the year ended 31st March 2005.
3. To appoint a Director in place of Shri Rohit Garg who retires by rotation and being eligible offer himself for re-appointment.
4. To appoint a Director in place of Shri Udit Rai Kapoor who retires by rotation and being eligible offer himself for re-appointment.
5. To appoint M/s SHASHI CHADHA & CO., Chartered Accountants, 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.

By Order of the Board
Sd/-
(ROHIT GARG)
Whole-time Director

Place : New Delhi
Date : 30th June 2005

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 28th September 2005 to 30th September 2005 (both days inclusive).
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.



GRM OVERSEAS LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have great pleasure in presenting the 11th Annual Report of the Company along with the Audited Accounts for the year ended 31st March 2005.

(Rs. in Lacs)

FINANCIAL RESULTS	CURRENT YEAR (2004-2005)	PREVIOUS YEAR (2003-2004)
Profit before Depreciation & Finance Charges	317.51	207.47
Less : Finance Charges	159.56	82.24
Depreciation	41.40	38.75
	<u>200.96</u>	<u>120.99</u>
Net Profit after Depreciation & Finance Charges	116.55	86.48
Income Tax	44.44	24.63
APPROPRIATIONS		
Transferred to General Reserve	35.22	24.95
Provision for Dividend	36.89	36.89

DIVIDEND

Your Directors are pleased to recommend Dividend @10% (i.e. Rs.1/- per Equity Share) for the financial year ended on 31st March 2005, 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 company would further accelerate its pace of growth and would make all efforts to further improve its performance.

DISCLOSURE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

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

DIRECTORS

Shri Rohit Garg and Shri Udit Rai Kapoor, Directors of the Company, retire by rotation at the ensuing Annual General Meeting & being eligible offers themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors give hereunder the Directors' Responsibility Statement relating to the accounts of the Company:

All the applicable accounting standards have been followed in the preparation of the accompanying accounts; The directors 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, 2005 and of the Profit and Loss of the Company for the said period;

The directors 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

The Directors have prepared the Annual Accounts on a going concern basis.



GRM OVERSEAS LIMITED

AUDIT COMMITTEE

The Board of the Company has constituted an Audit Committee of the Directors under section 292 A of the Companies (Amendment) Act, 2000, comprising of three Directors viz. Mr. Chetan Kapoor, Mr. Udit Rai Kapoor & Mr. Rohit Garg.

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.

FIXED DEPOSITS

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

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.

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: 30th June 2005

Sd/-
(H.C.Garg)
Chairman cum Mg. 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 2005.

(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 (2004-2005)	PREVIOUS YEAR (2003-2004)
A. POWER AND FUEL CONSUMPTION		
a) Purchased Units	2771743.00	2312165.00
Total Amount (Rs.)	11447300.00	9558497.00
Rate/Unit (Rs.)	4.13	4.13



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b) Own Generation

Through Diesel Generator

Units (approx.)

1211698.00

146800.00

Cost of Fuel

7149020.00

3893205.00

Cost/Units (Rs.)

5.90

19.78

B. CONSUMPTION PER UNIT (M.T.) OF PRODUCTION

Production Unit (M.T.)

19891.10

12158.60

Electricity

3983441.00

2508965.00

(II) TECHNOLOGY ABSORPTION

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
(2004-2005)**

**PREVIOUS YEAR
(2003-2004)**

(III) FOREIGN EXCHANGE EARNING AND OUTGO

Foreign Exchange Earnings (in Rs.)

675124977.00

420172404.00

Foreign Exchange Outgo

3857286.00

2179427.00

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By Order of the Board

Sd/-

(H.C. Garg)

Chairman cum Mg. Director

Place : New Delhi

Date : 30th June 2005

CORPORATE GOVERNANCE

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.



GRM OVERSEAS LIMITED

2. BOARD OF DIRECTORS

The Board consists of the following:

(a) Promoter & Executive Directors: -

Shri Hukam Chand Garg aged 61 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 30 years of experience in rice processing and trade.

Shri Rohit Garg aged 32 years, is a commerce graduate 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.

(b) Independent Executive Director: -

There has been no Independent Executive Director in the company.

(c) Independent Non-Executive Directors: -

Shri Udit Rai Kapoor, aged 32 years, had passed the B.E. (Architect) Examination and has vast experience of planning & construction of factory's building and well versed with the administration & other related matters.

Shri Chetan Kapoor, aged 29 years is a commerce graduate. He has in-depth knowledge of audit & accounts. He has been working as Software Engineer for last 9 years and has expertise knowledge of making software of different industries, especially rice industry.

Shri Raj Kumar, aged 35 years is a commerce graduate. He has vast experience of accounting procedures and has in-depth knowledge of rice industry. He has been engaged in this field for last 14 years.

(d) Meetings:

Five Board meetings were held during the year on 30-04-2004, 30-07-2004, 31-08-2004, 29-10-2004 & 29-01-2005. Last Annual General Meeting was held on 30-09-2004. The annual general meeting and all the five board meetings were attended by all the directors.

3. AUDIT COMMITTEE

(I) Constitution of Audit Committee

Mr. Chetan Kapoor (Chairman of the Committee)
Mr. Udit Rai Kapoor
Mr. Rohit Garg

Non-executive Director
Non-executive Director
Whole-time Director

(II) Functions of the Committee

- a) 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.
- b) Discussion with auditors regarding their observation on accounts.
- c) Review of half yearly results before submission to the board.
- d) Discussion with auditors regarding adequacy & compliance of internal control system.
- e) Recommendation on appointment and removal of external auditor, fixation of audit fee, out of pocket expenses and payment of other services.
- f) Other compliances of companies Act and stock exchanges.

(III) Powers of the committee

- a) To investigate into any activity within its terms of reference.



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- b) Full access to information contained in the company records.
- c) To seek information from any employees.
- d) Access to external professional advice.
- e) To bind the Board with its audit report on financial management.

(IV) Meetings

During the year 3 meetings of the audit committee were held and the same was attended by all the concerned directors of the company.

4. 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's is fixed with the ceiling limits prescribed by the Government under Schedule XIII of the Companies Act, 1956.

5. SHAREHOLDERS' COMMITTEE

(I) Constitution of Shareholders/Investor Grievances Committee

Mr. Udit Rai Kapoor (Chairman of the Committee)	Non Executive Director
Mr. Raj Kumar	Non Executive Director
Mr. Chetan Kapoor	Non Executive Director

(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-397, 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 2004-2005, no complaint has been received from any shareholder.

Mr. Rohit Garg, Director of the company is the compliance officer of the company.

6. GENERAL BODY MEETING

Last three Annual General Body Meeting were held in Delhi on 13-09-2002, 10-09-2003 and 30-09-2004 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.

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 Rashtra Ka Vidhan newspapers and copies thereof are sent to the Stock Exchanges as per Listing Agreement.

9. GENERAL SHAREHOLDER INFORMATION

A.G.M. Date, Time & Venue	: 30-09-2005; 9.30 AM, 219-A, Rama Market Pitampura, Delhi
Financial Calendar	: 2004-2005
Date of Book Closure	: 28-09-2005 to 30-09-2005 (both days inclusive)
Dividend Payment Date	: 30 th October 2005
Stock Exchange Listing	: Stock Exchange, Mumbai(BSE)