

14TH
ANNUAL REPORT
2007 - 2008

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GRM OVERSEAS LIMITED

**GRM OVERSEAS LIMITED**

14TH ANNUAL GENERAL MEETING

Day : Tuesday
 Date : 30th September, 2008
 Time : 9.30 A.M.
 Venue : **GRM OVERSEAS LIMITED**
 219-A, Rama Market,
 Pitampura, Delhi -110034

BOARD OF DIRECTORS

Shri H. C. Garg
Chairman-cum-Mg. Director
Shri Rohit Garg
(Whole-time Director)
Shri Chetan Kapoor
Director
Shri Vikram Malik
Director

COMPANY SECRETARY

Shri Raj Kumar Arora

BANKERS

State Bank of India
 G.T. Road, Panipat

AUDITORS

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

REGISTERED OFFICE

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

WORKS

GRM OVERSEAS LIMITED
 Gohana Road,
 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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GRM OVERSEAS LIMITED

NOTICE

Notice is hereby given that the 14th Annual General Meeting of the Company will be held as under:

Day	: Tuesday
Date	: 30th September, 2008
Time	: 9:30 A.M.
Venue	: 219-A, Rama Market Pitampura, Delhi – 110 034.

to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Directors' Report, Auditors' Report and Audited Accounts of the company for the year ended 31st March 2008.
2. To declare dividend for the year ended 31st March 2008.
3. To appoint a Director in place of Shri Rohit Garg who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Vikram Malik who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s SHASHI CHADHA & CO., Chartered Accountants, 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 pursuant to the provisions of Section 198, 269, 309, 350 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto and subject to such approvals, if any, as may be necessary, consent of the company be and is hereby accorded to the re-appointment of Shri Rohit Garg, as Whole-time Director for a further period of 5 years w.e.f. 30th June 2008 on the terms and conditions as set out in the Explanatory Statement to this Notice and hereby approved, with liberty to the Board of Directors to revise the terms as to remunerations, from time to time, in consultation with and / or recommendation of the Remuneration Committee, within the limits provided for in the said Schedule XIII or any amendments thereof for the time being in force."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to provisions of Section 314 and under applicable provisions, if any, of the Companies Act, 1956 including any statutory modifications or re-enactment thereof, consent and approval of the Company be and is hereby accorded to Mr. Atul Garg, a relative of Mr. H. C. Garg, Chairman-cum-Managing Director of the company and also to Mr. Rohit Garg, Whole-time Director to hold an office or place of profit designated as Vice President – Corporate Development, of GRM Overseas Limited on a salary of Rs.18000/- p.m. (including all allowances, perquisite, benefits and amenities as applicable to others in the same grade in GRM Overseas Limited as per its policy, with effect from 1st October 2008".

By Order of the Board

New Delhi
30th June 2008

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.



GRM OVERSEAS LIMITED

2. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 24, 2008 to Tuesday, September 30, 2008 (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 Tuesday, September 23, 2008.
3. Members are requested to bring their copies of the annual report to the annual general meeting.
4. The members / proxies should bring the attendance slip duly filled in and signed for attending the meeting.
5. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no.6 & item no. 7 is annexed hereto.

DETAILS OF DIRECTORS

Seeking appointment / re-appointment as required under clause 49 of the listing agreement with Stock Exchange.

1. Shri Rohit Garg aged 35 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.

Shri Rohit Garg does not hold directorship or Chairmanship/Member of Committee of any other Public Limited Company.

2. Shri Vikram Malik, aged 30 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 8 years.

Shri Vikram Malik does not hold directorship or Chairmanship/Member of Committee of any other Public Limited Company.

ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT:

Item No.6

Mr. Rohit Garg, being an existing Whole-time-Director of the Company has been re-appointed as Whole-time-Director of the company for a further period of 5 (Five) years w.e.f. June 30, 2008 by the Board of Directors in their meeting held on June 30, 2008, subject to the approval of the shareholders.

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

1. **Period :** Period of Appointment is 5 (Five) years with effect from June 30, 2008.
2. **Persent Salary :** Rs.30,000/- p.m. including Dearness and all other Allowance.
3. In addition to Salary the following perquisite will be provided as per the Rules of the Company.
 - (i) **Housing :** The expenditure by the Company on hiring furnished accommodation for the Whole-time-Director will be subject to the following ceiling : 60% of the Salary, over and above 10% payable by the Whole-time-Director.
 - (ii) **Medical Reimbursement :** Re-imbusement of actual expenses incurred for self and family subject to the ceiling of one month salary in a year or three months salary over a period of three years.
 - (iii) **Leave Travel Concession:** Leave Travel expenses for self and family once in a year incurred to and from any place in India in accordance with rules of the Company.
 - (iv) **Club Fee :** Reimbursement of fees of not more than two clubs. This will not include admission and life Membership Fees.
 - (v) **Personal Accident Insurance :** Personal Accident Insurance cover as applicable in line with the rules and the Company.



GRM OVERSEAS LIMITED

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

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

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

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

Item No. 7

Mr. Atul Garg aged 29 years (son of Mr. H. C. Garg, Chairman-cum-Managing Director and brother of Mr. Rohit Garg, Whole time Director) is a Bachelor of Business Administration had has a vast knowledge of the right Industry, seeing his performance and capability the Board of Directors of the Company has proposed to designate him as Vice-President Corporate Development w.e.f. October 1, 2008 at a gross remuneration of Rs.18,000/- p.m.

Accordingly, it is proposed to seek the approval of the members as per the resolution proposed.

Mr. H. C. Garg, Chairman cum Managing Director and Mr. Rohit Garg, Whole time Director, relative of Mr. Atul Garg are deemed to be directly interested in this item.

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

The Board recommends the resolution for your approval.

By Order of the Board

New Delhi
30th June 2008

ROHIT GARG
Whole-time Director



DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have great pleasure in presenting the 14th Annual Report of the Company along with the Audited Accounts for the year ended 31st March 2008.

	<i>(Rs. in Lacs)</i>	
FINANCIAL RESULTS	CURRENT YEAR (2007-2008)	PREVIOUS YEAR (2006-2007)
Profit before Depreciation & Finance Charges	674.41	429.40
Less : Finance Charges	353.59	203.09
Depreciation	51.67	46.89
	<hr/>	<hr/>
Net Profit after Depreciation & Finance Charges	269.15	179.42
Income Tax	110.27	67.32
APPROPRIATIONS		
Transferred to General Reserve	85.09	75.21
Provision for Dividend	73.79	36.89

DIVIDEND

Your Directors are pleased to recommend Dividend @20% (i.e. Rs.2/- per Equity Share) for the financial year ended on 31st March 2008, to all those shareholders whose name appears in the register of members of the Company and/or the register of beneficial owner as on Record Date fixed in this regard.

CURRENT YEAR WORKING

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

DISCLOSURE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

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

DIRECTORS

Mr. Rohit Garg & Mr. Vikram Malik, Directors of the Company, retire by rotation at the ensuing Annual General Meeting & being eligible offers them selves for re-appointment and the Board recommends their 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:

1. All the applicable accounting standards have been followed in the preparation of the accompanying accounts;
2. 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, 2008 and of the Profit and Loss of the Company for the said period;
3. 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
4. The Directors 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.

**GRM OVERSEAS LIMITED****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.

MANAGEMENT DISCUSSION ANALYSIS & CORPORATE GOVERNANCE REPORT

In terms of the Listing Agreement, 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.

New Delhi
30th June 2008

By Order of the Board

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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 2008.

(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 2007-2008	PREVIOUS YEAR 2006-2007
A. POWER AND FUEL CONSUMPTION		
a) <i>Purchase units</i>	3603776.00	2709309.00
Total Amount (Rs.)	16374954.00	11839681.00
Rate/Unit (Rs.)	4.54	4.37
b) <i>Own Generation</i>		
Through Diesel Generator		
Units (approx.)	1301940.00	1185055.00
Cost of Fuel	10597740.00	9302684.00
Cost/Units (Rs.)	8.14	7.85
B. CONSUMPTION PER UNIT (M.T.) OF PRODUCTION		
Production Unit (M.T.)	26277.39	19454.70
Electricity	4905716.00	3894364.00

(II) TECHNOLOGY ABSORPTION

Continue to bring improvement in quality & processes.

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 2007-2008	PREVIOUS YEAR 2006-2007
(III) FOREIGN EXCHANGE EARNING AND OUTGO		
Foreign Exchange Earnings (in Rs.)	1625094159.00	819614000.00
Foreign Exchange Outgo	59230325.00	15230864.00

By Order of the Board

New Delhi
30th June 2008

H. C. GARG
Chairman cum Managing Director