

15<sup>TH</sup>  
ANNUAL REPORT  
2008 - 2009

Report  junction.com



**GRM OVERSEAS LIMITED**



GRM OVERSEAS LIMITED

### 15TH ANNUAL GENERAL MEETING

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

#### BOARD OF DIRECTORS

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

**Shri Rohit Garg**  
*(Whole-time Director)*

**Shri Chetan Kapoor**  
*Director*

**Shri Vikram Malik**  
*Director*

#### COMPANY SECRETARY

Shri Raj Kumar Arora

#### BANKERS

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

#### AUDITORS

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

#### REGISTERED OFFICE

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

#### WORKS

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

#### REGISTRAR & SHARE TRANSFER AGENTS

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

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### NOTICE

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

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

to transact the following business:

#### **ORDINARY BUSINESS:**

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

#### **SPECIAL BUSINESS:**

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



## GRM OVERSEAS LIMITED

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

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

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

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

By Order of the Board

New Delhi  
June 30, 2009

**ROHIT GARG**  
Whole-time Director

## NOTES

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



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

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

\*excluding Foreign & Private Limited Companies.

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

#### ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT:

##### Item No.6

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

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

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



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

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

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

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

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

### Item No.7

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

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

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

### Item No.8

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

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

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

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

By Order of the Board

New Delhi  
June 30, 2009

**ROHIT GARG**  
Whole-time Director





## DIRECTORS' REPORT

### TO THE MEMBERS

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

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

### EXPANSION PROGRAMME

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

### DIVIDEND

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

### CURRENT YEAR WORKING

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

### DISCLOSURE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

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

### DIRECTORS

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

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

### DIRECTORS' RESPONSIBILITY STATEMENT

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



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

### AUDITORS

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

### PUBLIC DEPOSITS

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

### PARTICULARS OF EMPLOYEES

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

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

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

### MANAGEMENT DISCUSSION ANALYSIS & CORPORATE GOVERNANCE REPORT

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

### ACKNOWLEDGEMENT

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

By Order of the Board

New Delhi  
June 30, 2009

**H. C. GARG**  
Chairman cum Managing Director





## GRM OVERSEAS LIMITED

## 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 31<sup>st</sup> MARCH, 2009.

## (1) Conservation of Energy

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

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

By Order of the Board

New Delhi  
June 30, 2009

H. C. GARG  
Chairman cum Managing Director