

17<sup>TH</sup>  
ANNUAL REPORT  
2010 - 2011



**GRM OVERSEAS LIMITED**

## 17TH ANNUAL GENERAL MEETING

Day : Friday

Date : 30<sup>th</sup> 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 17<sup>th</sup> Annual General Meeting of the Company will be held as under:

Day	:	Friday
Date	:	30 <sup>th</sup> 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 17<sup>th</sup> Annual Report of the Company along with the Audited Accounts for the year ended 31<sup>st</sup> March 2011.

	(Rs. /Lacs)	
	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
<b>FINANCIAL RESULTS</b>	<b>(2010-2011)</b>	<b>(2009-2010)</b>
<b>Profit before Depreciation &amp; Finance Charges</b>	<b>717.35</b>	<b>1,013.09</b>
Less : Finance Charges	<b>360.50</b>	<b>345.06</b>
Depreciation	<b>114.19</b>	<b>105.80</b>
<b>Net Profit after Depreciation &amp; Finance Charges</b>	<b>242.66</b>	<b>562.23</b>
Provision for Income Tax, Deferred Tax and Dividend Tax	<b>89.29</b>	<b>207.04</b>
<b>APPROPRIATIONS</b>		
Transferred to Profit & Loss Account	<b>117.48</b>	<b>281.39</b>
Provision for Dividend	<b>36.89</b>	<b>73.79</b>

**DIVIDEND**

Your Directors' are pleased to recommend Dividend @10% (i.e. Rs.1/- per Equity Share) for the financial year ended on 31<sup>st</sup> 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 31<sup>ST</sup> 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.

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

**(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**

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

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 31<sup>st</sup> 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