



MOVING UP THE LADDER



GRM 2.0

Moving up the ladder

Moving up the ladder is not about getting into the top rankings or increased financial numbers; it's about focusing on the future. It's about powering forward, moving up the food value chain and building on our momentum to deliver value for our customers, communities and shareholders.

With a strong foundation, GRM 2.0 is centered on building forward and unlocking the full potential of GRM. The significant point here would be to build up on our own brand and continue to grow our core business, further to optimize the balance sheet, drive greater operating efficiency and maintain strong risk management.

GRM 2.0 is a complete evolution of the company towards a better future. We have re-organised and simplified our business into two operating groups GRM Global Agri for Contract Research & Manufacturing Services (CRAMS) in Basmati Rice, globally and GRM Foods for own Brands into foods staple, globally. Each group having a clear focus and benefits for our global customers, communities and our businesses.

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Company Overview

A STRONG TRACK RECORD A BOLD NEW DIRECTION

From humble inception in 1974 to redefining ourselves in the form of GRM, we are India's leading rice exporter, primarily focused on all varieties of basmati rice. Our growth story is a result of our never-ending quest for excellence. Investing in the latest technology and giving importance to our R & D division has helped us in adapting our products to the ever-growing market.

With our exports spanning over 38 countries, including the Middle East, UK, USA, Europe and Australia; our commitment to quality and service continues to grow. We also continue to invest in technology and talent to deliver top-quality products. We are focused on high-quality value-added offerings such as branded rice varieties, branded basmati, organic rice products and ready-to-eat for the international markets. Serving different needs, with multiple variants and convenient packing size options – our food products are the first choice for different geographies and cultures.

Our combination of quality checks at all levels, trained personnel, and optimal work conditions have helped us in keeping our quality process streamlined. Over four decades, we have been continually building and nurturing relationships with our suppliers, trade partners, associates, shareholders, investors and society at large. Every single personnel at GRM take great pride in our adherence to ethics, corporate culture, and commitment to excellence.



40 Years of
Experience



Global
Standards



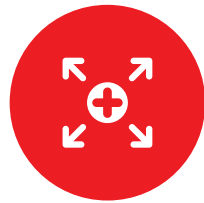
Moving up the
Value Chain



Rich Rice
Portfolio



Robust
Performance



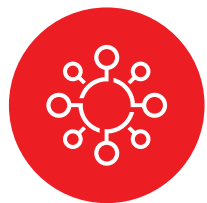
New Capacity
Additions



Strong
Growth Plan



Building the
GRM Brands



Diversifying
Product Portfolio



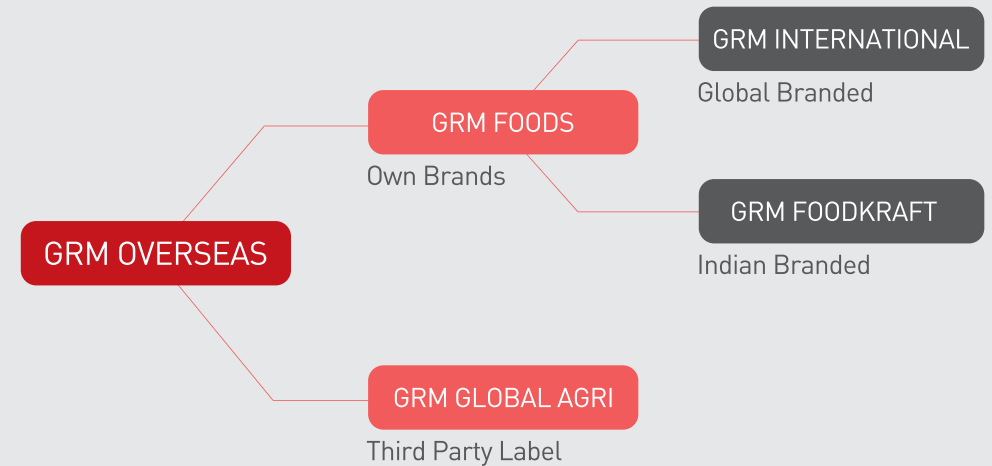
Research &
Development



Cutting Edge
Technology



GRM OVERSEAS STRATEGIC STRUCTURE



GRM had announced its strategic plans to enter branded markets, globally. It had launched Himalaya River and Tanoush Basmati brand into UK and Gulf market in the year 2017 and 2019 respectively.

GRM has now decided to expand its branded portfolio and to enter Indian Foods market. GRM FoodKraft Private Limited has been incorporated as wholly owned subsidiary in July 2020 to serve Indian Consumer with best-in-class quality products with differentiated experience and establishing global standard of manufacturing standards and R&D.

The brands got huge success with immediate listing into various super markets in UK. The supply chain has been established to service these super markets with in time IT tools and warehousing nearer to the customer.

Global Presence



CHAIRMAN & MD'S MESSAGE



The plan is to simplify
our go-forward
business strategy,
pursue efficiency in
our costs and drive
improvements in our
operations through
strategic technology
investments.

Last year was transformational for GRM. We established our strategic plan and began to take meaningful steps to simplify, strengthen and profitably grow the company. The progress that was achieved in 2019-20 will have lasting effects and drive long-term value in the company.

GRM Version 2.0 is a clear strategy for aligning the core strength in building future oriented verticals. GRM had entered into branded business in last two years with UK and Middle East markets. Within one year, with our understanding of the product and consumer preference, we have got listed into various leading stores in these markets.

We have now aligned our resources to enter Indian premium markets for entire Food Staple chain. The 40 years old legacy and relationship with farmers will help us in serving the Indian Consumer and providing the globally accepted product experience and quality with immediate access through wide distribution network.

Our path is to Simplify, Strengthen and Grow.

The Standalone **EBITDA** has increased from
₹ 43.11 crores in FY 2019
to **₹ 64.89 crores** in FY2020.

We registered an increase
of **50%** in our **EBITDA**.

The **Profit After Tax (PAT)** has increased from **₹ 16.24 crores**
in FY2019 to **₹ 36.16 crores**
in FY2020.



SIMPLIFY

Last year we embarked on a process to define our future, and this process allowed us to centre on our core strengths, evaluate our growth opportunities and develop a plan for simplification to drive long-term value for shareholders.

The plan is to simplify our go-forward business strategy, pursue efficiency in our costs and drive improvements in our operations through strategic technology investments. Our latest acquisition of Gujarat factory will help us in doing the same. We remain on track to achieve our goal by 2021, and this will be an essential contributor in simplifying the company and driving agility.



STRENGTHEN

The steps we have been taking are designed to build on our core capabilities and strengthen our foundation to create longer-term shareholder value. Chief among our efforts has been to improve our brand profile and maintain healthy risk management practices. We made significant progress on these fronts in 2019 and would continue to do so.



GROW

Our expertise on the product, relationship with farmers, infrastructure in terms of manufacturing & warehousing and market presence is our core strength and will be our source of growth. In 2016, we began to enhance our core capabilities by orienting our team around a more holistic view of our client relationships. Our clients and customers are at the centre of all we do. We are grateful for their business and aim to deliver products and expertise to help them meet their needs and drive value.



LOOKING AHEAD

We are keeping consistent focus on building scale, enhancing procurement efficiencies, improving manufacturing yield and improving operating efficiencies along with launching and promoting our brands across geographies. We have defined our path forward and laid the necessary groundwork for future success. As we look at the year ahead, we are squarely focused on advancing our strategic actions, improving returns on capital, growing our core businesses, optimizing the cost base and creating long-term value. We believe our success will be driven by the expertise, agility and commitment of the GRM's team who aim to deliver each day for our clients, customers and shareholders. Our strategy will be clearly driven by higher margins and profitability and building sustainable businesses.

Mr. Atul Garg
Chairman & Managing Director

Manufacturing Facilities

STATE-OF-THE-ART FACILITIES

01

PANIPAT PLANT

The plan is to simplify our go-forward business strategy, pursue efficiency in our costs and drive improvements in our operations through strategic technology investments.



02

NAULTHA PLANT

GRM is already a trusted supplier internationally with vast distribution networks and these new plants will dedicatedly serve the export markets



03

GUJARAT PLANT

GRM acquired a manufacturing facility having production and processing capacity of 1400 MT per day at Gandhidham, Kutch Gujarat.



QC

TOP NOTCH PRODUCT QUALITY & CERTIFIED FACILITIES

Quality is the touchline that forms the reputation of GRM. Our facilities conform to world class standards. Regular audits by accredit organizations to ensure that we deliver only the best to our customers.



GMP Certified



ISO 22000:2005



Safe Quality Food Certificate (which includes HACCP)



BRC (British Retails Consortium) Certified



Kosher Certified



Approved Plant and Facilities



Organic Certification



MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

Economic Scenario

Global Economy

The unprecedented onset of Covid-19 pandemic has heavily impacted the global economy. The pandemic is raging high across the world with rising human casualties. Protecting lives and allowing health care systems to cope have required isolation, lockdowns, and widespread closures to slow the spread of the virus. The health crisis is therefore having a severe impact on economic activity. As a result of the pandemic, the global economy is projected to contract sharply by 4.9% in 2020, much worse than during the 2008-09 financial crisis.

Indian Economy

In the pre-COVID scenario, the Indian Economy continued the mid-single digit growth path. GDP growth has shown negative signs during current period post Covid-19 outbreak in the country. First few cases of Covid-19 infection emerged in India in February 2020. Travel restrictions and testing norms were put in place from 1st week of March and these intensified further in the following week leading to a complete lockdown of entire country on 24th March 2020.

GRM also announced a production shutdown across all its manufacturing units initially while, production resumed at some of our manufacturing units, after securing permissions for producing essential products.

Changing Dynamics of the Food and FMCG Sector

The FMCG landscape is undergoing a sea change with the emergence of COVID-19, which is also impacting consumer behavior across markets and geographies. We expect the following consumer trends to pick up in the post-COVID world:

1. Increased consumer focus on health and hygiene, particularly on agri and food products, with a preference for packaged branded products
2. Discretionary spending would be curtailed due to shift

of priorities towards essentials

3. Movement towards financial security to gain momentum
4. Technology to act as a catalyst for convenient, safe and enhanced consumer experiences

We also expect the industry to undergo recalibration of the supply chain and distribution network, with channels like e-commerce and Direct to Consumer gaining salience. Local kirana (grocery) stores have seen a resurgence as proximity and availability of products came into prominence. These retail outlets may become more organized, digitally enabled, and serviced directly.

The Indian Food sector, which contributes to 57% of the overall FMCG market, witnessed growth of 8-9%. While the Food sector, riding on demand for consumer staples, has been growing at a good pace. Due to the extended lockdown in India, cooking at home was a big theme due to which convenience foods and cooking ingredients were in high demand.

BUSINESS OVERVIEW

The Standalone Revenue during FY20 was ₹ 779.33 crore as compared to ₹ 1072.08 crore during FY19.

The Profit Before Tax (PBT) for the FY20 was ₹ 47.50 crore as compared to ₹ 25.11 crore during the FY19.

The Profit After Tax (PAT) for the FY20 was ₹ 36.16 crore as compared to ₹ 16.24 crore during the FY19.

GRM 2.0

GRM 2.0 is all about the company moving up the value chain. It's an evolution of the company for a sustainable future business model. Under GRM 2.0 we would be identifying, organizing and simplifying our entire business into two separate operating groups.

- GRM Global Agri would solely focus on Contract Research & Manufacturing Services (CRAMS) in Basmati Rice, globally.
- GRM Foods would initiate new avenues for their Brands into foods staple, globally.

Both these segments will have crystal clear focus, and the result would be beneficial for our global customers, communities and our businesses. Our years of experience and hard word have laid the perfect platform for GRM 2.0. It's centred on building on our brand laurels and pressing the full throttle to unlock the immense potential that brand GRM possesses. All this would happen smoothly while our brand continues to grow our core business.

5E Strategy For GRM 2.0

GRM Overseas has experience of over 4 decades and is the 3rd largest exporter of Basmati Rice to Gulf Region and 5th largest globally. Previous GRM had framed strategies and accordingly new brands were launched. The brand were launched initially in UK and followed by the Gulf region.

Under GRM 2.0 the company has decided to enter the ever-attractive and ever-growing Indian market with its own brand. Our focus would be to enter not only the rice segment but also the entire food staple space. Our extensive R&D team will keep on its hard work and we would keep launching various products in the FMCG space. Over the coming time we would like to leverage ourselves from just a company in the rice segment to a key organisation in the Indian FMCG space. And to penetrate in this space we have formulated 5E strategy that would help us in steering into the FMCG space.



Exquisite Products

We would develop products that are too good to be missed. Our product taste and quality be the best in the segment and we would make sure that the customer could differentiate our brand from other quite easily.

Exclusive Packaging

Packaging is the first impression that a brand or product makes on the shelf. We would be investing in attractive packaging design and material to attract consumer. Our exclusive packaging would convey our brand equity and would help consumers select our product for their needs and delight.

Excellent Brand Communication

Positioning our communication is the most critical part of this GRM 2.0. We would be communicating our product benefits with exceptional advertising that would tinker with the emotional quotient of the consumer. It would make the audiences think, talk, laugh, cry, smile, act and buy — and that would drive the category and brand growth.

Executing Retail Strategy

To make GRM 2.0 successful we would need to execute our retail strategy execution to perfection. Our strategy would be based on various factors such as right store coverage, product forms, sizes, price points, shelving and merchandising

Enabling Consumer & Customer Value

Penetrating into Indian market that is very highly cost-oriented we would need to present our customer and consumer with a brand value that they would love to have. Our mission is to present a clear vision at a compelling price.

Other Factors

Changing Lifestyle

Indian consumer and market have changed drastically over the past decade. With the rise in the per capita income, more and more customers are ready to try new products and then take their decision rather than taking the brand's past laurels as a benchmark.

Customer Preferences

With the constantly changing buying patterns, customers prefer premium, branded and healthy products instead of low quality and cheap ones. This factor is likely to push up demand for branded and healthy rice products like Basmati rice across modern retail chains.

Greater Acceptability

Increasing acceptance of rice as a staple diet has enhanced accessibility of Basmati rice across different markets round the globe. Our different product offerings will be strategically positioned to cater to different categories of consumers at different geographical locations and across different price points to enhance affordability.

SWOT Analysis

Strengths

- More than 45 years of experience in the agri-food industry
- Exporting to 38 countries. Leading exporter to gulf region, with a global footprint expanding rapidly
- State-of-the-art facilities with collective capacity of 2000 MT per day to cater growing domestic and international demand
- Well established distribution network
- Tie-up with reputed customers like ASDA (Walmart UK), T.J. Morris and B&M in the UK; Albert Heijn in Holland and Metro in Poland and Carrefour in the UAE
- Superior product quality, consistent supply and competitive pricing

Weakness

- Rice production is strongly dependent on weather conditions, rainfall and other climatic conditions
- Weather, disease and pests affect both the quantity and quality of rice produced
- Due to required ageing of rice to enhance and maintain quality, the working capital cycle requirement is higher.

Opportunities

- GRM making increasing efforts towards its own brand development, as it allows for differentiation in a rice industry, makes way for greater market acceptance, and imparts ability to develop a pricing premium in the long term. The Company has launched own branded products in European retailers and is focused on expanding sales of own branded products to newer geographies
- Acquired manufacturing facility in Gandhidham, which is in proximity to the Mundra port, provides opportunity to focus on operationally efficient export oriented production and helps to support to augment exports
- The future of Basmati is very bright in India. Indian consumption is only around 20% of basmati production in the country. As per capita income in India grows, domestic market will further see growth in

Indian market. It offers an opportunity of growth in sales by double digits for next 10 years

- There are a very few nation-wide players and being in a niche segment like basmati rice and have other speciality rice like red rice, organic rice, brown rice etc., we find a good opportunity therein.

GRM is expanding business in India to serve General Trade, Modern Trade and Horeca. Our tie-up with MAN consumers, Dubai to promote in-house brands makes the growth coming from everywhere

Threats

- Recessionary trend in the global economy and increasing trade barriers in the international markets impacts demand adversely
- In Basmati rice exports, India only competes with Pakistan. With increasing competition from Pakistan may impact India's dominance in the global Basmati market
- Competition from domestic unorganized sector players who accounting for nearly half of the Basmati market, pose a threat to the large organized players like GRM, particularly in general trade.

Cautionary Statement

The document contains statements about expected future events, financial and operating results of GRM Overseas Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of GRM Overseas Limited's Annual Report, FY2019.

COMPANY INFORMATION

BOARD OF DIRECTOR

Mr. Atul Garg
Chairman & Managing Director

Mr. Raj Kumar Garg
Independent Director

Mr. Hukam Chand Garg
Founder & Non-Executive Director

Mr. Gautam Gupta
Independent Director

Mrs. Mamta Garg
Executive Director

Mr. Vishnu Bhagwan
Independent Director

Mr. Nipun Jain
Non-Executive Director

Mrs. Kiran Dua
Independent Director

BANKERS

State Bank of India
Special Commercial Branch, G.T. Road, Panipat (Haryana)

Union Bank of India
Ambedkar Chowk, G.T. Road, Karnal (Haryana)

AUDITORS

Vinod Kumar & Associates Chartered Accountants
Global Business Square, Building No. 32, Sector 44,
Institutional Area, Gurgaon 122002 India

M/s Devesh Arora and Associates
Company Secretaries (Secretarial Auditor)

REGISTERED OFFICE

GRM Overseas Limited
128, First Floor, Shiva Market Pitampura, Delhi - 110 034.
CIN : L74899DL1995PLC064007

WORKS

GRM Overseas Limited

1. Gohana Road, Near Sugar Mills, Panipat 132103 (Haryana)
2. 8 KM Stone, Gohana-Rohtak Road, Village Naultha, Panipat 132103 (Haryana)
3. 328-329 GIDC Estate, Mithirohar Taluka, Gandhidham, Dist. - Kutch 370201 (Gujarat)

REGISTRAR & SHARE TRANSFER AGENTS

Abhipra Capital Ltd.
BH - 1, Abhipra Complex, Dilkush Inds. Estate,
A-387, G.T. Karnal Road, Azadpur Delhi - 110 033

BOARD REPORT

TO,
**THE MEMBERS,
GRM OVERSEAS LIMITED**

Your Directors have great pleasure in presenting their 26th Annual Report together with the Audited Accounts of the Company for the Year ended March 31, 2020.

(Amount in Lakh)

Particular	Standalone		Consolidated	
	As at the end of current reporting period 31.03.2020	As at the end of previous reporting period 31.03.2019	As at the end of current reporting period 31.03.2020.	As at the end of previous reporting period 31.03.2019
Revenue from Operations	76,651.82	107,063.06	77,715.26	110,905.03
Other Income	1,281.65	145.06	1,281.90	45.06
Total Income	77,933.47	107,208.12	78,997.16	111,050.09
Operating Expenditure	71,443.53	102,896.47	72,951.77	107,442.30
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	6,489.94	4,311.65	6,045.39	3,607.79
Depreciation and amortization Expenses	291.23	215.43	291.64	215.85
Finance Costs	1,447.80	1,584.68	1,449.09	1,598.69
Profit before Exceptional Items and Tax	4,750.91	2,511.54	4,304.66	1,793.25
Exceptional Items	Nil	Nil	Nil	Nil
Tax expense	Nil	Nil	Nil	Nil
Current Year	1,197.61	894.37	1,197.61	893.23
Deferred Tax Credit	(62.93)	(7.37)	(62.93)	(7.37)
Mat Credit Entitlement				
Profit After Tax (PAT)	3,616.23	1,624.54	3,169.98	907.39
Other Comprehensive Income	1.11	Nil	(32.03)	Nil
Total Comprehensive Income for the year	3,617.34	1,624.54	3,137.95	907.39
Balance as per the last Financial Statements	5,481.57	4,079.41	4,781.93	4,096.93
Appropriations				