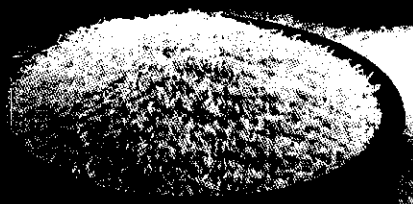
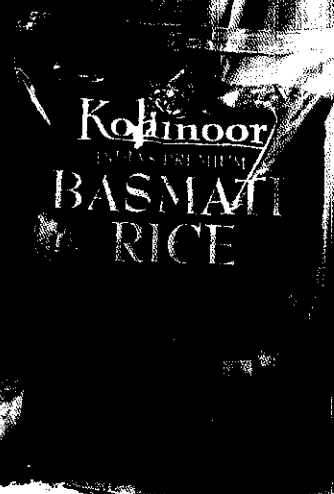
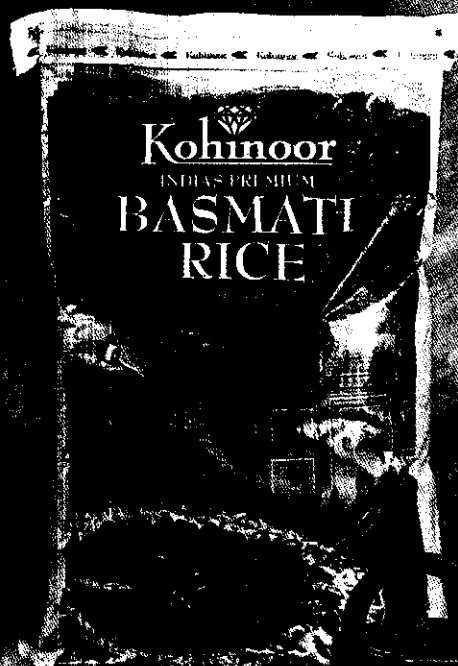
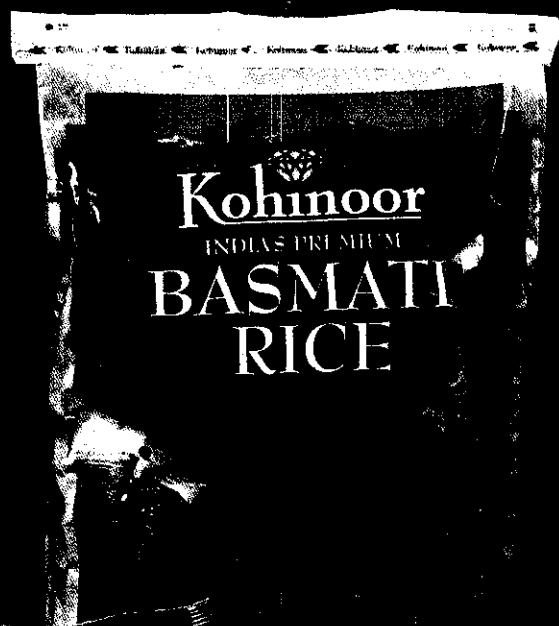


The Flavour of India

ANNUAL REPORT 1999 - 2000



SATNAM OVERSEAS LIMITED

THE ONLY THING MORE DELICIOUS THAN OUR RICE IS OUR FIGURES

• TURNOVER GOES UP BY **173%**

• OPERATING PROFIT SOARS BY **296%**

• NET PROFIT RISES BY **50%**

UNAUDITED FINANCIAL RESULTS (PROVISIONAL) FOR THE QUARTER ENDED 30TH JUNE, 2000

(Rupees in Lakhs)

S. No.	Description	Quarter ended 30.06.2000	Quarter ended 30.06.1999	Year ended 31.03.2000 (Audited)
1.	Net Sales/Income from Operations	8,366	3,064	25,238
2.	Other Income	43	119	225
3.	Total Expenditure			
	(a) Increase/decrease in stock in trade	3,411	(181)	(5,821)
	(b) Consumption of raw materials	3,396	2,378	25,113
	(c) Staff cost	63	53	302
	(d) Other expenditure	931	459	3,720
4.	Interest	286	235	1,194
5.	Depreciation	56	60	248
6.	Profit before Tax	266	179	707
7.	Provision for taxation	5	5	40
8.	Net Profit	261	174	667
9.	Paid-up equity share capital	1,960	1,960	1,960
10.	Reserves excluding revaluation reserves	—	—	4,378
11.	Basic and diluted earning per share (Rs. per share) not annualised.	1.33	0.89	3.40

NOTE: The above results have been taken on record by the Board of Directors in their meeting held on 29th July, 2000.

Place : New Delhi
Date : 29th July, 2000

For and on behalf of the Board
Sd/-
(Gurnam Arora)
Jt. Managing Director



SATNAM OVERSEAS LIMITED

Regd. Office 201, Vipps Centre, 2, Community Complex, Masjid Moth, Greater Kailash-II
New Delhi-110048 (India) Tel.: 646-5757 (10 Lines) Fax : 646-5959, 621-3111
E-mail : satnam@glasd101.vsnl.net.in Internet : http://www.satnamoverseas.com

SUPER
Kohinoor
INDIA'S LARGEST SELLING
BASMATI RICE



SATNAM OVERSEAS LIMITED

BOARD OF DIRECTORS

SH. JUGAL KISHORE ARORA
CHAIRMAN

SH. GURNAM ARORA
JT. MANAGING DIRECTOR

SH. VIJAY BURMAN
ADDITIONAL DIRECTOR

SH. SATNAM ARORA
JT. MANAGING DIRECTOR

SH. NITIN ARORA
DIRECTOR

SH. RAKESH KHOSLA
ADDITIONAL DIRECTOR

AUDITORS

M/S NATH AHUJA & CO.
CHARTERED ACCOUNTANTS
NEW DELHI - 110 048

COMPANY SECRETARY
SH. RAJIV DUDEJA

BANKERS

ORIENTAL BANK OF COMMERCE
CORPORATE BRANCH
GREATER KAILASH-I
NEW DELHI

CANARA BANK
CORPORATE SERVICE BRANCH
GROUND FLOOR, ANSAL TOWERS
38, NEHRU PLACE, NEW DELHI-110 019

REGISTERED OFFICE, CORPORATE OFFICE & SHARE DEPTT.
201, VIPPS CENTRE, 2, COMMUNITY COMPLEX,
GREATER KAILASH - II, MASJID MOTH,
NEW DELHI - 110 048 (INDIA)
PH. : 646 5757 (10 LINES)

WORKS

50-51 MILESTONE, G.T. ROAD,
MURTHAL DIST., SONEPAT (HARYANA)

M.M. MALVIYA ROAD, AMRITSAR, PUNJAB

TRANSFER AGENTS

(PHYSICAL SHARES)

FINTECH COMPU SYSTEMS LTD.
WZ-1390/4, 3RD FLOOR,
PANKHA ROAD, NAGAL RAYA,
(NR. D-BLOCK, JANAKPURI BUS TERMINAL)
NEW DELHI - 110 046 PHONE : 5556025

(ELECTRONIC CONNECTIVITY)

ALANKIT ASSIGNMENTS LTD.
205-206, ANARKALI COMPLEX,
JHANDEWALAN EXTN.
NEW DELHI-110 055
PHONE : 3513512-14

LISTING OF EQUITY SHARES (Listing Fees Paid)

- | | |
|--------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| 1. The Delhi Stock Exchange Association Limited
DSE House
3/1, Asaf Ali Road
New Delhi-110002 | 4. The Stock Exchange, Ahmedabad
Kamdheni Complex
Opp. Sahajanand College
Panjarapole
Ahmedabad-380015 |
| 2. The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai-400001 | 5. National Stock Exchange of India Ltd.
Trade World,
Senapati Bapat Marg
Lower Parel
Mumbai-400013 |
| 3. The Ludhiana Stock Exchange Association Ltd.
Feroze Gandhi Market
Ludhiana-141001 | |

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SATNAM OVERSEAS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE ELEVENTH ANNUAL GENERAL MEETING OF SATNAM OVERSEAS LIMITED WILL BE HELD ON FRIDAY, THE 29TH SEPTEMBER, 2000 AT 11:30 A.M. AT DAGAR FARMS, BRIJWASAN, NEW DELHI 110061 TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS

1. To receive and adopt the Balance Sheet as at 31st March, 2000 and Profit & Loss Account for the Financial Year ended on that date together with the Reports of Directors and Auditors thereon.
2. To Declare Dividend.
3. To appoint a Director in place of Shri Gurnam Arora, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a special Resolution:-
 "RESOLVED that pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby amended and/or altered in the following manner.
- A. Insert the following in the margin in the existing Articles of Association and add a new Article as Article 38 A after Article 38.

NOMINATION

Notwithstanding anything contained in the Articles of Association or in any other law for the time being in force, where a nomination has been made in the manner prescribed in Section 109 A of the Act, purporting to confer on any person the right to vest the shares in, or debentures of the company, the nominee shall, on the death of the shareholder or holder of debentures of the company or, as the case may be on the death of the joint holders, become entitled to all the rights in the shares or debentures of the company or, as the case may be all the joint holders, in relation to such shares in or debentures of the company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner and the provisions contained in Sections 109A and 109B of the Act shall be applicable to such cases.

- B. Insert the following headings as Article 53 A after Article 53.

DEMATERIALISATION OF SECURITIES

Definitions	53A(1)	For the purpose of this Article : "Beneficial Owner" means a person whose name is recorded as such with a Depository; "Depository" means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992; "SEBI" means the Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992. "Depositories Act" means the Depositories Act, 1996 or any statutory modification or re-enactment thereof; "Registered Owner" means a Depository whose name is entered as such in the records of the Company; "Security" means such security as may be specified by the Securities and Exchange Board of India from time to time.
Dematerialisation / Rematerialisation Of Securities	(2)	Notwithstanding anything contained in these Articles, the company shall be entitled to dematerialise/rematerialise its securities and to offer securities in the dematerialised form pursuant to the Depositories Act.
Securities in fungible Form	(3)	All securities held by a Depository shall be dematerialised and shall be in fungible form. No Certificate shall be issued for the securities held by the Depository. Nothing contained in Sections 153, 153 A, 153 B, 187B, 187 C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.



SATNAM OVERSEAS LIMITED

Transfer of Securities	(4)	Nothing contained in these Articles shall apply to transfer of securities held in Depository.
Allotment of Securities	(5)	Where the securities are dealt with in a Depository, the Company shall intimate the details of allotment of relevant securities to the Depository on allotment of such securities.
Distinctive Number	(6)	Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
Register and Index of Beneficial Owners	(7)	The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a Register and Index of members and security holders for the purposes of these Articles.
Rights of Depository and Beneficial Owners	(8)	<p>Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owners.</p> <p>Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.</p> <p>Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.</p>

By Order of the Board
For Satnam Overseas Ltd.

New Delhi
June 29, 2000

Rajiv Dudeja
Company Secretary

NOTES :

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A 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.
- b) Explanatory Statement under Section 173(2) of the Companies Act, 1956 relating to Special Business to be transacted at the meeting, is annexed hereto.
- c) The Register of Members and Transfer Books of the Company will remain closed from Friday, the 1st September, 2000 to Wednesday, the 20th September, 2000 (both days inclusive) in connection with the Annual General Meeting and Dividend if any, that may be declared at the meeting.
- d) Members are requested to bring their copy of Annual Report with them at the meeting as extra copies will not be supplied at the venue of the Meeting.
- e) Entry in the Meeting Hall shall be strictly restricted to Members/valid Proxies only carrying the Attendance Slip.
- f) For any queries on the Depository System of shares, members may contact any Depository Participant or the Shares Department at the Registered Office of the company.
- g) The Company has already transferred all unclaimed dividend declared for the year ended 31st March, 1995 to the General Revenue Account of the Central Government as required by the Companies unpaid Dividend (transfer to the General Revenue Account of the Central Government) Rules, 1978. Those Shareholders who have so far not claimed or collected their dividend for the aforesaid year may claim their dividend from the Registrar of Companies NCT of Delhi and Haryana, Paryavaran Bhawan, CGO Complex, New Delhi.
- h) Pursuant to the provisions of Section 205A of the Companies Act 1956 as amended, dividend for the Year ended 31st March, 1996 and thereafter, which remains unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund (IEF). Shareholders who have not encashed the Dividend Warrant(s) so far for the Financial Year Ended 31st March, 1996 or any subsequent Financial Years are requested to make their claim to the office of the Registrar and Transfer Agents M/s.Fintech Compu Systems Limited or to the Company's Share Deptt.



SATNAM OVERSEAS LIMITED

at 201, Vipps Centre, Masjid Moth, Greater Kailash-II, New Delhi 110 048. It may also be noted that once the unclaimed dividend is transferred to the IEF, as above, no claim shall lie in respect thereof as against the Company.

- i) The Dividend, if declared, will be made payable to those shareholders whose names appear on the company's Register of members as on 20th September, 2000.
- j) Members are requested to intimate the change, if any, in their registered addresses, to the Registrars, Fintech Compu Systems Ltd at WZ-1390/4, 3rd Floor, Pankha Road, Nangal Raya, (Nr.D-Block, Janakpuri Bus Terminal) New Delhi 110 046. In case of dematerialised shares, the aforesaid intimation should be given to the Depository Participant with which the member has account.
- k) Shareholders desiring any information as regards Accounts should write to the Company's Registered office at least ten days before the date of the meeting for the attention of Mr.Rajiv Dudeja, Company Secretary or Mr.Rajiv Mangla, Financial Controller, so as to enable the management to keep the information ready.

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 5

- A. An amendment has been made in the Companies Act, 1956 through the Companies (Amendment) Act 1999 to permit the holder of Shares or Debentures of the Company, to nominate in the prescribed manner, a person to whom his shares in or debentures of the Company shall vest in the event of his death. In order to bring the Articles of Association of the Company in conformity with the provisions of the amendment made in the Companies Act, a new Article 38A is proposed to be added, subject to the approval of the Shareholders in this Annual General Meeting.
- B. Consequent upon the introduction of the Depositories Act 1996 there have been significant amendments in the provisions of the Companies Act, 1956 relating to issue, holding and transfer of securities in dematerialised form.

As per Notification dated May 29, 2000 issued by Securities and Exchange Board of India (SEBI) Equity Shares of your company would be compulsorily traded in dematerialised (DEMAT) form w.e.f.28th August, 2000. Your company has already signed agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable the shareholders and investors to hold and trade shares in electronic form. It is therefore, proposed to suitably amend the Articles as set out in the Resolution in order to bring provisions of the Articles of Association in consonance with the provisions of the Companies Act 1956.

Your Directors recommend the aforesaid resolution as special resolution for approval by the members in terms of Section 31 of the Companies Act 1956.

None of the Directors is, in any way, concerned or interested in the special resolution at item no. 5.

**By Order of the Board
For Satnam Overseas Ltd.**

New Delhi
June 29, 2000

**Rajiv Dudeja
Company Secretary**



SATNAM OVERSEAS LIMITED

DIRECTOR'S REPORT

Your Directors have the pleasure in presenting the Eleventh Annual Report together with the Audited Accounts of the company for the year ended March 31, 2000

FINANCIAL RESULTS

	1999-2000	(Rs. in Lacs)	1998-99
Turnover & other income	25463		31192
Profit before Depreciation	955		662
Depreciation	248		240
Profit before Tax	707		422
Provision for Taxation	40		15
Profit after Tax	667		407
Add.: Balance Brought Forward	—		—
Profit available for appropriation	667		407

APPROPRIATION

Transfer to General Revenue	428	407
Proposed Dividend (Including Tax)	239	NIL

OPERATIONS

Current year witnessed an improvement over the previous year with profits soaring by 64%. Profit before depreciation was higher at Rs.955 lacs as against Rs.662 Lacs in the previous year. The achievement of the above, under market conditions during 1999-2000 which continued to remain depressed, was possible due to the concerted action, effective management of costs and expenses, improved realisations and an efficient distribution network. With the sustained efforts in domestic sales your company has been able to achieve a CAGR of 32% over the last 2 years.

In recognition of the achievements in Exports, your company received the prestigious APEDA Award for the Ninth Year in succession for the outstanding export performance during the year.

Although the year was tough for global Trade specifically for long grain rice because of exceptionally good quality of rice of Thailand and Vietnam and their cheaper prices in comparison to Indian prices, nevertheless your company made concerted efforts to tap possible opportunities including new markets & product opportunities.

New Plant and Machinery with state of art technology has already been installed at the factory resulting in increased capacity utilisation from the existing 12 MTPH to 32 MTPH. With this your Company milled 121922 MT of Paddy during the year in comparison to 56597 MT Paddy milled during 1998-99. It not only resulted in increasing the proportion of manufactured rice to total sales, but also enabled the company to provide consistent quality, reduce cost of production and improve the bottom line considerably.

The current year has commenced on a very promising note and your Directors are hopeful of continued good results.

FUTURE PROSPECTS

Your company's performance during the first quarter of 2000-01 is already on a good growth track for sales and profits with sales and net profits at Rs.8366 Lacs and Rs.261 Lacs respectively as against sale and net profit of Rs.3064 Lacs and Rs.174 lacs respectively for the quarter ended June 30, 1999. It is expected that the turnover during the current Financial year would cross Rs.350 crores, which is approximately 40% higher than the turnover achieved by company in the previous year.

Backed by ISO 9002 Certification and a vast distribution network the company has made Basmati rice a household name in India. The Company's flagship brand Super Kohinoor is the brand leader in India. Currently our products are available on approx.1.5 Lacs outlets all over India. It is planned to increase the number of outlets to 1.8 Lacs by the year end. Your company also aims at providing quality rice at competitive prices to rural population. To achieve the objective, New Distributors are being appointed. With this, your company plans to increase distributors network from the present 85 distributors in 2000 to 100 distributors in 2001.



SATNAM OVERSEAS LIMITED

Since we have already established our Brand in Domestic market, we now target creating a niche for ourselves in global market for the reason that the Brand Equity is always valued higher for that brand that has a capacity to sustain a separate and proven identity over a period of time. KOHINOOR brand has been in existence for over 30 years now, having established a certain relationship with its consumers over a period of time. Investments in the Brand has been considerable bringing value addition to it which can not be proportionately quantified. We are in the process of developing new Brand 'TROPHY' Internationally.

Rice market in United States of America (USA) is very lucrative. To grab a lion's share in U.S. market, a wholly owned subsidiary (WOS) has been incorporated in USA to exploit not only US Market but also other markets nearby. This would enable your company not only to leverage the presence in USA but also to establish 'Brand Equity' for our Brand 'KOHINOOR' in that region. We also aim at looking out for opportunities of importing packaged food products which are having good potential in India and market the same through our own distribution network. Opening up of WOS in USA would also give us opportunities of establishing Joint Ventures / Agency relationships with major brands in U.S.A. We target 15-20% of US Rice market gradually over a period of three years. We plan to enter into Joint Ventures and incorporate more wholly owned subsidiaries to leverage company's presence in the Global Market.

Since the company firmly believes in keeping abreast with changing trends and times, we constantly strive to achieve better standards, be it in terms of quality, upgrading machinery and technology or packaging.

The new millennium dawns a new era at Satnam Overseas as we foray into application of progressive and innovative marketing strategies to further our endeavour of making KOHINOOR the undisputed king of basmati rice. Packaging which forms an integral part of any success story in Sales and Marketing has also been the life line at Satnam. House of Kohinoor now brings to the world the very essence of traditional basmati, 'THE FLAVOUR OF INDIA', imbuing in it the best from across our glorious country. The new packaging highlights the beauty of our oneness despite our diversity, just like Kohinoor that brings together the best aroma, flavour, purity and traditionality of basmati rice.

Your company has tied up with a multi-national Company in Saudi Arabia to market rice under our own Brand in Saudi Market, which constitutes over 70% of the total Basmati rice market of the world. It is expected that the association will generate fruitful results. Discussions are on with parties in other countries for entry into such associations and steps are being taken to increase market share of Company's Basmati Rice.

Your Directors are confident that the initiatives would once again set things on fire.

Your company endeavours to maximise its profitability by diversifying its business in new ventures. Company has lined up few products, possibilities of combining new products with the existing ones are being worked out and market survey is being conducted to get an idea of product viability.

CORPORATE GOVERNANCE

Based on the recommendations of the committee on Corporate Governance constituted by SEBI under the Chairmanship of Mr. Kumar Mangalam Birla, your company has already taken various steps to induct new and experienced members on the Board. Various committees like Audit Committee, Remuneration Committee, Banking Arrangement Committee, Securities committee and Personnel committee have already been formed which would function to uphold the principles of good Corporate Governance.

DIVIDEND

Your Directors have pleasure in recommending for the consideration of the member at the Annual General Meeting, dividend of Re 1/- per equity share, which, if approved, will absorb Rs.196 Lacs. The Company has provided for the proposed dividend tax @22% in the accounts.

DIRECTORS

In accordance with the provisions of companies Act, 1956 and the Articles of Association of the Company Shri Gurnam Arora - Director retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment. Mr. Vijay Burman and Mr. Rakesh Khosla were co-opted as Additional Directors w.e.f. January 10, 2000, and they retire at the ensuing Annual General Meeting.

SECURITIES

Your Company has entered into agreement with National Securities Depository Limited and Central Depository Services (India) Limited to facilitate holding and Trading of shares in electronic form. The electronic connectivity is provided by Registrars M/s. Alankit Assignments Limited.



SATNAM OVERSEAS LIMITED

Y2K

The Company successfully completed the transition into the year 2000 and its systems overcame the Y2K bug. The systems proved to be compliant and no inconsistencies were reported.

AUDITORS

M/s.Nath Ahuja & Co., Statutory Auditors of the Company, retire and offer themselves for reappointment. The Company has obtained a Certificate to the effect that their reappointment, if made, would be in conformity with the limits specified under section 224 (1B) of the Companies Act 1956.

AUDITORS' REPORT

Auditors report is self-explanatory and wherever required has been suitably explained in Notes to Accounts.

SUBSIDIARY COMPANY

As required by section 212 of the Companies Act, 1956 statement in respect of the subsidiaries is annexed and forms an integral part of this report.

FIXED DEPOSITS

Your company has not accepted any deposit from Public during the year under review.

INFORMATION REGARDING CONSERVATION OF ENERGY ETC. AND EMPLOYEES

Information required under section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and information as per section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended from time to time are given in Annexures forming part of this report.

ACKNOWLEDGEMENT

Your Directors wish to place on record its gratitude to Company's Valued Customers, Banks, Employees, Members and Investing Public for the faith they have reposed in the company.

FOR AND ON BEHALF OF THE BOARD

NEW DELHI
29TH JUNE, 2000

JUGAL KISHORE ARORA
CHAIRMAN