

16TH
ANNUAL REPORT
2009 - 2010



GRM OVERSEAS LIMITED



**16TH ANNUAL
GENERAL MEETING**

Day : Thursday
Date : 30th September, 2010
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

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

CONTENTS	PAGE NO.
Notice	2
Directors' Report	3
Corporate Governance	9
Auditors' Report	15
Balance Sheet	18
Profit & Loss Account	19
Cash Flow Statement	20
Schedules	21
Balance Sheet Abstract	28

**NOTICE**

Notice is hereby given that the 16th Annual General Meeting of the Company will be held as under:

Day : **Thursday**
Date : **30th September, 2010**
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, 2010, 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 March 31, 2010.
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 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.

By Order of the Board

Place : New Delhi
Date : August 9, 2010

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 Thursday, September 23, 2010 to Thursday, September 30, 2010(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 23, 2010.
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. Information pursuant to Clause 49 of the Listing Agreement(s) pertaining to Shri Rohit Garg proposed to be re-appointed vide item No. 3of the Notice is as follows:

Date of Birth	Date of Appointment	Qualification	Expertise in specific functional area	Directorship held in other Public Companies*	Membership/ Chairmanship of Committees**	No. of Equity Shares held in the Company	Relationship with other directors
01.07.1972	30.06.2003	B.Com.	Please refer Corporate Governance Report 2009-10	Nil	Nil	10,90,000	Son-Father, relation with Shri H.C. Garg

*excluding Foreign & Private Limited Companies.

**Includes only Audit and Shareholders/Investor Grievance Committee

**DIRECTORS' REPORT****TO THE MEMBERS**

Your Directors have great pleasure in presenting the 16th Annual Report of the Company along with the Audited Accounts for the year ended 31st March 2010.

	(Rs. /Lacs)	
FINANCIAL RESULTS	CURRENT YEAR (2009-2010)	PREVIOUS YEAR (2008-2009)
Profit before Depreciation & Finance Charges	1,013.09	896.94
Less : Finance Charges	345.06	334.93
Depreciation	105.80	58.14
Net Profit after Depreciation & Finance Charges	562.23	503.87
Provision for Income Tax, Deferred Tax and Dividend Tax	207.04	189.73
APPROPRIATIONS		
Transferred to Profit & Loss Account	281.39	240.35
Provision for Dividend	73.79	73.79

DIVIDEND

Your Directors' are pleased to recommend Dividend @20% (i.e. Rs.2/- per Equity Share) for the financial year ended on 31st March 2010, 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. Rohit Garg, Director of the Company, retire by rotation at the ensuing Annual General Meeting & being eligible offers himself for re-appointment and the Board recommends his re-appointment.

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, 2010 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.

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 9, 2010

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 2010.

(I) 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 2009-2010	PREVIOUS YEAR 2008-2009
A. POWER AND FUEL CONSUMPTION		
a) Purchased Units	4760833.00	3931059.00
Total Amount (Rs.)	21725945.00	18110765.00
Rate/Unit (Rs.)	4.56	4.61
b) Own Generation		
Through Diesel Generator		
Units (approx.)	1912390	1304632
Cost of Fuel	16875990.00	11635228.00
Cost/Units (Rs.)	8.82	8.92
B. CONSUMPTION PER UNIT (M.T.) OF PRODUCTION		
Production Unit (M.T.)	37716	27936
Electricity	6673223	5235691

(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

	CURRENT YEAR 2009-2010	PREVIOUS YEAR 2008-2009
Foreign Exchange Earnings (in Rs.)	2523170634.00	2459535658.00
Foreign Exchange Outgo	6716500.00	30342333.00

By Order of the Board

Place : New Delhi

Date : August 9, 2010

H. C. GARG

Chairman cum Managing Director

**COMPLIANCE CERTIFICATE U/S 383A OF THE COMPANIES ACT, 1956, WHICH FORMS PART OF THE DIRECTORS' REPORT**

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 31st March, 2010. 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 8(Eight) times on June 30, July 30, August 5, October 30, December 10, 2009 and January 29, February 12 and March 15, 2010 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 4, 2009 to September 9, 2009 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 31.03.2009 was held on September 9, 2009 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 was one instance falling within the purview of section 314 of the Act, the company has obtained the approvals from the Board of Director, members by passing a Special Resolution and has completed the requisite formalities.
12. The company has not issued duplicate share certificates during the financial year.
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 no appointment of directors has been made during the financial year.
15. The company has made re-appointment of Managing Director during the financial year for which the requisite formalities were completed in time.
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 31.3.2010.
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

Sd/-
S. C. SINGHAL
Prop.
C.P. No, 6981

Place : New Delhi
Dated : August 9, 2010

**ANNEXURE – A**

Registers as maintained by the Company

Statutory Registers:

1. Register of Members	U/S	150
2. Register of contracts with firms and companies in which directors are interested	U/S	301
3. Register of Directors, Managing Director, Manager and Secretary	U/S	303
4. Register of Directors Shareholding	U/S	307
5. Register of Investments U/S 372A		
6. Books of Accounts	U/S	209
7. Minute Books Board Meeting General Meeting	U/S	193

Other Registers

1. Application Form and Allotment Register.
2. Share Transfer Register.

ANNEXURE – B

Forms and Returns as filed by the Company with Registrar of Companies or other authorities during the financial year ended 31.03.2010.

Sl. No.	Form No./ Return	Filed under Section	For	Date of Filling & Receipt No.
1.	Annual Return (Form 20B)	159	Annual Return as on the date of AGM held on 09/09/2009	18/10/2009, SRN P36393841
2.	Annual Report (Form 23AC/ ACA)	220	2008-2009	07/10/2009, SRN P35433564
3.	Form 23	192	Reappointment of Chairman-cum-Mg.Director (Special Resolution) AGM	07/10/2009, SRN A70443452
4.	Form 25C	269	Appointment of Mg. Director	28/07/2009, SRN A66083874
5.	Form 23	192	Reappointment of Chairman-cum-Mg.Director (Board Meeting)	25/07/2009, SRN A65892093
6.	Form 32	303	Regarding resignation of Mr. R. K. Arora (Company Secretary)	25/07/2009, SRN A65894263
7.	Form 8	125	Limit enhanced	10/04/2010, SRN A82603069



CORPORATE GOVERNANCE REPORT

In terms of the Listing Agreement, Management Discussion and Analysis Report is annexed and forms part of the Annual Report. A report on Corporate Governance along with the Auditors Certificate on its compliance also annexed forming part of the Annual Report.

1. COMPANY'S PHILOSOPHY

Company believes that fairness in corporate procedures, full disclosures in reporting system, total transparency in corporate culture, fiduciary and trustee relationship and maximization of share holders value in the long run are the pillars on which the structure of the corporate governance resets. The concept of corporate governance hinges on accountability, responsibility, and effective monitoring, quality of information, integrity, trust & confidence.

Company believes that a well-constituted and competent Board of Directors can alone efficiently adopt corporate governance framework of "Perspective, Plans, Policy, Processes, Productivity, Performance & People". The Board must effectively monitor the corporate resources comprising of "Men, Money, Machines, Material, Marketing, Management and Motivation".

Company's philosophy is to provide colorless document for fair, unbiased, accurate, authentic and factual information in most concise and succinct manner to its shareholder, lenders, customers, bankers government and people at large.

2. BOARD OF DIRECTORS

The Board consists of the following:

(a) Promoter & Executive Directors:

Shri Hukam Chand Garg aged 66 years is Chairman cum Managing Director and founder of the company, who holds a diploma in Electrical Engineering and has previously worked with Haryana State Electricity Board, he entered the rice business in 1974, when he established Garg Rice & General Mills, and has been in this trade since then. He has over 35 years of experience in rice processing and trade.

Shri Rohit Garg aged 37 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.

(b) Independent Executive Director: -

There has been no Independent Executive Director in the company.

(c) Independent Non-Executive Directors:

Shri Chetan Kapoor, aged 34 years is a commerce graduate. He has in-depth knowledge of audit & accounts. He has been working as Software Engineer for last 14 years and has expertise knowledge of making software of different industries, especially rice industry.

Shri Vikram Malik, aged 32 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 10 years.

(d) Meetings:

Eight Board meetings were held during the year on 30-06-2009, 30-07-2009, 05-08-2009, 30-10-2009, 10-12-2009, 29-01-2010, 12-02-2010 & 15-03-2010. Last Annual General Meeting was held on 09-09-2009. The gap between any two meetings was less than four months. The annual general meeting and all the eight board meetings were attended by all the directors.


(e) Directors' Attendance and other directorship & membership/chairmanship:

The names and categories of the Directors on the Board, along with their attendance of Board Meetings held during the year and at last Annual General Meeting and the number of other directorship and chairmanship/ membership of committees of each Director in various Companies are given below:

S. No.	Name of Director, Design & (DIN No.)	Category	Inter-se relationships between directors		No. of Directorships in other Indian Companies*	No. of Memberships/ Chairmanships in other Board Committees**	No. of Board Meetings		Whether attended last AGM
			Related with	Relation			Held	Attended	
1.	Mr. Hukam Chand Garg, Chairman cum Mg. Director (00673276)	Promoter-Executive Non Independent	Mr. Rohit Garg	Son	Nil	Nil	8	8	Yes
2.	Mr. Rohit Garg, Whole-time Director (00673304)	Promoter-Executive Non Independent	Mr. H. C. Garg	Father	Nil	Nil	8	8	Yes
3.	Mr. Chetan Kapoor, Director (00672045)	Non-Executive Independent Director	Nil	Nil	Nil	Nil	8	8	Yes
4.	Mr. Vikram Malik, Director (00438494)	Non-Executive Independent Director	Nil	Nil	Nil	Nil	8	8	No

* Other directorships do not include private companies, Section 25 companies and companies incorporated outside India.

**includes only Audit Committee and Shareholders'/Investors' Grievance Committee of Public Limited Companies.

(f) Information Supplied to the Board :

The Board has complete access to all information with the Company. The following information is regularly provided to the Board as a part of the agenda papers well in advance of the Board Meetings or is tabled in the course of the Board meeting:

- Annual operating plans & budgets and any updates thereof.
- Capital budget and any updates thereof.
- Quarterly results for the Company and operating divisions and business segments.
- Minutes of the meetings of the Audit Committee and other Committees of the Board .
- Materially important show cause, demand, prosecution and penalty notices.
- Quarterly details of foreign exchange exposures and the steps taken by Management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

Apart from the above, the Board periodically reviews the compliance reports of all laws applicable to the Company.

(g) Code of Conduct :

Board has laid down a Code of Conduct for all Board Members and designated Executives of the Company. All the Board members and designates executives have affirmed compliance with the Code of Conduct. A declaration signed by the Chairman cum Managing Director in this regard is given below:

"I hereby confirm that the Company has obtained from all the members of the Board and Senior Executives of the Company, affirmation that they have complied with the code of Ethics and business conduct framed for Directors and Senior Management Personnel in respect of the financial year 2009-10. H.C. Garg, Chairman cum Mg. Director."

**(h) Directors' Remuneration :**

The remuneration of Managing Director and Whole-time Director is considered & recommended by the Board of Directors without participation of interested directors and is approved by the shareholders in General meeting. The remuneration of each Director is fixed with the ceiling limits prescribed by the Government under Schedule XIII of the Companies Act, 1956. However, no sitting fees was paid to any director of the Company for attending the meeting of the Board or any Committee thereof.

3. AUDIT COMMITTEE**(I) Constitution of Audit Committee**

Mr. Chetan Kapoor (Chairman of the Committee)	Non-executive Director
Mr. Vikram Malik	Non-executive Director
Mr. Rohit Garg	Whole-time Director

(II) Functions of the Committee

- Review of Annual Financial Statement before submission to the board especially with regard to the changes in accounting policies and practices, major accounting entries, significant adjustments arising out of audit, the going concern assumption, compliance with accounting standards, compliance with stock exchange & legal requirements concerning financial statements and related party transactions.
- Discussion with auditors regarding their observation on accounts.
- Review of Quarterly/yearly results before submission to the board.
- Discussion with auditors regarding adequacy & compliance of internal control system.
- Recommendation on appointment and removal of external auditor, fixation of audit fee, out of pocket expenses and payment of other services.
- Other compliances of companies Act and stock exchanges.

(III) Powers of the committee

- To investigate into any activity within its terms of reference.
- Full access to information contained in the company records.
- To seek information from any employees.
- Access to external professional advice.
- To bind the Board with its audit report on financial management.

(IV) Meetings

During the year 4 meetings of the audit committee were held and the same was attended by all the concerned directors of the company.

4. SHAREHOLDERS' COMMITTEE**(I) Constitution of Shareholders'/Investors' Grievances Committee**

Mr. Rohit Garg (Chairman of the Committee)	Whole-time Director
Mr. Chetan Kapoor	Non Executive Director
Mr. Vikram Malik	Non Executive Director

Mr. Rohit Garg is the Compliance Officer to handle the grievances of the Shareholders'/ Investors.

The Committee specifically looks into redressal of shareholders' and Investors' complaints such as transfer of shares, non-receipt of shares, non-receipt of dividend declared, to ensure expeditious share transfer process and to review the status of investors' grievances.

During the year 7 meetings of the committee were held and the same was attended by all the concerned directors of the company.

**(II) Shareholders Matters**

In compliance with SEBI Circular No.D&CC/FITTC/CIR-15/2002 dated 27.12.2002, the company has appointed M/s Abhipra Capital Ltd. BM-1, Abhipra Complex, Dilkhush Industrial Estate, A-387, G.T. Karnal Road, Azadpur, Delhi – 110 033 as Registrar and Share Transfer Agent of the Company with effect from 15-07-2003, to look after and be responsible for the entire share registry and shareholders related matters of the company in Demat as well as physical mode. As on date no share transfer is pending. During the year 2009-2010, no complaint has been received from any shareholder.

5. REMUNERATION COMMITTEE**(I) Constitution of Shareholders/Investor Grievances Committee**

Mr. Vikram Malik (Chairman of the Committee)	Ind., Non Executive Director
Mr. Chetan Kapoor	Ind., Non Executive Director
Mr. Rohit Garg	Promoter, Executive Director

(II) Broad Terms of Reference:

- a) To review and decide the policy on specific remuneration package of Managing Director and Whole-time Director of the Company.
- b) To decide on any other matter as may be referred by the Board.

6. GENERAL BODY MEETING

Last three Annual General Body Meeting were held in Delhi at the Registered Office of the Company on 26-09-2007, 30-09-2008 and 09-09-2009 at 9.30 a.m., 9.30 a.m. and 9.30 a.m. respectively. All resolutions at these meetings were passed by show of hands. Special Resolution, wherever was passed with the requisite majority. There were no matters required to be dealt/passed by the Company through postal ballot, in any of the aforesaid meetings, as required under the provisions of Section 192A of the Companies Act, 1956. There is no matter proposed to be dealt/passed by the Company through postal ballot in the ensuing Annual General Meeting.

The Chairman of the Audit Committee was present at AGM on September 9, 2009 to answer the queries of the shareholders.

7. DISCLOSURES

There were no transactions of the company of material nature with related parties that may have potential conflict with the interest of the company at large. No penalties or stricture, were imposed on the company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

8. MEANS OF COMMUNICATION

Annual reports of the company are sent to each shareholders of the company. Half-yearly/Quarterly results are normally published in the Pioneer and Hari Bhoomi newspapers and copies thereof are sent to the Stock Exchanges as per Listing Agreement.

9. GENERAL SHAREHOLDER INFORMATION

A.G.M. Date, Time & Venue	: September 30, 2010 9.30 A.M., 219-A, Rama Market, Pitampura, Delhi-110034.
Financial Calendar	: a) 1st Quarter Results – By the end of July '10. b) 2nd Quarter Results – By the end of Oct., '10. c) 3rd Quarter Results – By the end of Jan., '11. d) 4th Quarter Results – By the end of July '11. *Tentative and subject to change.
Date of Book Closure	: September 23, 2010 to September 30, 2010 (both days inclusive)



GRM OVERSEAS LIMITED

Dividend Payment Date : The Board recommended dividend of Rs. 2/- per Share.
The Dividend shall be payable on or after September 30, 2010

Stock Exchange Listing : Bombay Stock Exchange(BSE)

Stock Code : 531449

ISIN : INE192H01012

Market Price Data:

Particulars	Apr09	May09	June09	July09	Aug09	Sep09	Oct09	Nov09	Dec09	Jan10	Feb10	Mar10
Low	18.65	19.55	24.00	26.00	26.50	28.50	35.50	33.00	32.00	31.00	29.00	26.10
High	19.55	24.00	25.95	28.60	41.50	40.00	43.00	37.40	35.25	35.00	32.55	30.35

Registrar & Transfer Agent : M/s ABHIPRA CAPITAL LTD.
BM-1 Abhipra Complex, Dilkhush Industrial Estate ,
A-387 G. T. Karnal Road, Azadpur Delhi – 110 033
email Id: info@abhipra.com

Share Transfer System : All orderly received transfers are processed & registered within 15 days.

Distribution of Share Holding as on 31.03.2010 : Directors and their relatives 2716200 - 73.62%,
Body Corporate 12,900 – 0.35%,
Non Resident Indians 1,00,300 – 2.72%,
& Others 8,60,100 – 23.31%

Nominal Value of Shares	No. of Share Holders	% of Total	Amount	% of Total
Upto Rs. 5000	250	67.02	5,68,000	1.54
5001 to 10000	63	16.89	5,72,000	1.55
10001 to 20000	26	6.97	4,22,000	1.14
20001 to 30000	7	1.88	1,68,000	0.46
30001 to 40000	4	1.07	1,53,000	0.41
40001 to 50000	3	0.80	1,43,000	0.39
50001 to 100000	7	1.88	5,23,000	1.42
100001 and above	13	3.49	3,43,46,000	93.09
Total	373	100.00	3,68,95,000	100.00

Pending GDRs, ADRs etc. : NIL

Plants Location : 1. GRM Overseas Limited,
Gohana Road, (Near Sugar Mill), Panipat – 132 103 (Haryana)
2 GRM Overseas Limited,
Gohana Road, Naultha, Panipat – 132 103 (Haryana)

Correspondence Address of the Company : GRM Overseas Ltd
219-A, Rama market, Pitampura Delhi – 110 034

Regarding shares : Abhipra Capital Ltd
BM-1 Abhipra Complex, Dilkhush Industrial Estate,
A-387 G. T. Karnal Road, Azadpur Delhi – 110 033
email Id: info@abhipra.com

Dematerialisation of Shares : The Company's Equity Shares have been allotted ISIN: INE192H01012 both by NSDL & CDSL. 6,07,800 Equity Shares representing 26.38% of the paid-up Equity Capital of the Company have been dematerialized till 31.03.2010.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure & Developments – The year 2009 began with recovery in the over all economic condition and industrial growth and this phenomena prevailed almost the whole financial year. The company has been able to successfully improve its position and has made a robust growth, if we compare with the previous years. At the same time, development of the ability to act with the speed and agility in hamessing these opportunities have been given high focus with better results.

Opportunities and Threats – Indian rice manufacturing companies continue to face stifling scenario, yet the capabilities and growth potential of your company are providing opportunities to acquire an in creased market share. Despite an unfavorable business sentiment prevailing in the domestic as well as in the international market, the company has maintained its freshness, endurance and strength which are very much needed for sustainability and growth.

Internal Control System & their ability – The company has an adequate system of internal control implemented by the management towards achieving efficiency in operations, optimum utilization of resources and effective monitoring thereof and compliance with applicable laws. The system comprises as well-defined organization structure, pre determined authority levels and documented policy guidelines and manuals for delegation of authority. A qualified and independent audit committee of the Board of Directors reviews the internal audit reports and the adequacy of internal controls statements in this management discussion and analysis report are based upon the data available with the company and on certain assumptions having regard to the economic conditions, government policies, political developments etc. within and outside the country. The management does not guarantee the accuracy of the assumptions and the projected performance of the company in future.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBER OF GRM OVERSEAS LIMITED

We have examined the compliance of condition of corporate governance by GRM OVERSEAS LIMITED for the year ended on March 31, 2010, as stipulated in clause 49 of the listing agreement of the said company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the shareholders/investors grievance committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

for **Shashi Chadha & Co.**
Chartered Accountants
Firm Registration No. : 15666N

Place : New Delhi
Date : August 9, 2010

Sd/-
C.A. SHASHI KANT CHADHA
Prop.
M.No. 85777



AUDITOR'S REPORT

TO THE MEMBERS OF GRM OVERSEAS LIMITED.

1. We have audited the attached Balance Sheet of GRM OVERSEAS LIMITED as at 31st March 2010 and also the Profit & Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:-
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the Directors as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereto give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principals generally accepted in India
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - ii) in the case of the Profit & Loss Account, of the profit of the company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

for **SHASHI CHADHA & CO.**

Chartered Accountants

Firm Registration No. : 15666N

Place : New Delhi

Date : August 9, 2010

CA. SHASHI KANT CHADHA

Prop.

M.No. 85777

**Annexure to the Auditor's Report****(Referred to in paragraph 3 of our report of even date)**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of available information.
- (b) All the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The company is maintaining proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- (iii) (a), (b), (c) and (d) The company has not granted any loan secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act and hence provisions of sub-clauses (a), (b), (c) and (d) of Clause 4 (iii) of the order are not applicable to the company.
- (e) The company has taken unsecured loans from five parties covered in the register maintained under section 301 of the Act. The amount outstanding as on 31st March, 2010 is Rs.2,11,47,603/-.
- (f) The terms and conditions of loans are not prima facie prejudicial to the interest of the Company.
- (g) The payments of principal amount and interest are regular during the year.
- (iv) In our opinion and according to the information and explanations given to us, there is an internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that particulars of contracts or arrangements that need to be entered into the register in pursuance of Section 301 of the Act have been so entered.
- (b) Based on the information and explanation given to us, it is our opinion that these transactions made in pursuance of contracts or agreements have been made at reasonable prices having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public during the year. Therefore, the provisions of clause (vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (vii) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) Pursuant to the Rules made by the Central Government the maintenance of cost records under section 209(1)(d) of Companies Act, 1956 is not statutory. The separate set of account books have not been maintained for cost accounting purposes but prima facie all the information necessary for the cost audit are contained in the financial books of account and records. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues as applicable to it.



- (b) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) The accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to banks. The Company has not taken loans from financial institutions and has not issued debentures.
- (xii) According to the information and explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) The company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, paragraph 4(xiv) of the order is not applicable to the company.
- (xv) The company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised. The company has not raised any new term loans during the year.
- (xvii) According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.
- (xviii) During the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, the company has not issued any debentures during the year under audit.
- (xx) According to the information and explanations given to us, the Company has not raised any money by public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

for **SHASHI CHADHA & CO.**
Chartered Accountants
Firm Registration No. : 15666N

Place : New Delhi
Date : August 9, 2010

CA. SHASHI KANT CHADHA
Prop.
M.No. 85777


BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	SCHEDULES	AS AT 31.03.2010 (Rupees)	AS AT 31.03.2009 (Rupees)
A. SOURCES OF FUNDS			
1. SHARE HOLDERS' FUNDS :			
SHARE CAPITAL	A	36,895,000.00	36,895,000.00
RESERVE & SURPLUS	B	221,257,344.13	182,874,841.82
		258,152,344.13	219,769,841.82
2. LOAN FUNDS			
SECURED LOANS	C	640,175,992.58	379,943,301.64
UNSECURED LOANS	D	21,147,603.00	-
TOTAL (1+2)		919,475,939.71	599,713,143.46
B. APPLICATION OF FUNDS			
1 FIXED ASSETS			
GROSS BLOCK	E	236,185,709.96	220,146,218.36
2 INVESTMENTS	F	2,020,500.00	2,020,500.00
3 CURRENT ASSETS, LOANS & ADVANCES			
INVENTORIES	G	660,505,342.00	396,392,405.00
SUNDRY DEBTORS	H	107,495,125.09	44,835,862.09
CASH & BANK BALANCES	I	14,529,784.51	7,203,032.61
OTHER CURRENT ASSETS	J	23,314,963.99	21,842,020.39
LOANS & ADVANCES	K	818,283.90	1,905,165.70
		806,663,499.49	472,178,485.79
LESS : CURRENT LIABILITIES	L	125,393,769.74	94,632,060.69
NET CURRENT ASSETS		681,269,729.75	377,546,425.10
TOTAL (1+2+3)		919,475,939.71	599,713,143.46

Notes on Accounts

M

As per our attached report of even date

For and on behalf of the Board of Directors

For **SHASHI CHADHA & CO.**
Chartered Accountants
Firm Registration No. : 15666N

H. C. GARG
Chairman cum Managing Director

CA. SHASHI KANT CHADHA
Prop.
M.No. 85777

ROHIT GARG
Whole-time Director

New Delhi
August 9, 2010


PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	SCHEDULES	CURRENT YEAR ENDED 31.03.2010 (Rupees)	PREVIOUS YEAR ENDED 31.03.2009 (Rupees)
A. INCOME :			
SALES	N1	2,756,519,467.12	2,733,513,266.16
OTHER INCOME	N2	312,581.56	5,890,572.50
INCREASE/(DECREASE) IN STOCK	N3	312,024,467.00	(15,454,120.00)
		3,068,856,515.68	2,723,949,718.66
B. EXPENDITURE			
COST OF MATERIAL CONSUMED	O	2,685,454,105.11	2,232,707,267.81
MANUFACTURING EXPENSES	P	116,947,231.41	96,578,110.63
ADMINISTRATIVE & SELLING EXPENSES	Q	160,006,972.00	298,969,607.33
FINANCIAL EXPENSES	R	34,505,756.76	33,493,305.05
OTHER EXPENSES	S	5,139,312.09	6,000,581.57
		3,002,053,377.37	2,667,748,872.39
C. PROFIT BEFORE DEPRECIATION		66,803,138.31	56,200,846.27
D. DEPRECIATION		10,580,428.19	5,814,250.13
E. PROFIT AFTER DEPRECIATION (C-D)		56,222,710.12	50,386,596.14
F. PROVISION FOR DEFERRED TAXES		2,667,839.00	5,153,899.00
G. PROVISION FOR DIVIDEND		7,379,000.00	7,379,000.00
H. PROVISION FOR TAX ON DIVIDEND		1,254,062.00	1,254,062.00
I. PROFIT AFTER DIVIDEND (E-F-G-H)		44,921,809.12	36,599,635.14
J. PROVISION FOR TAXES		16,782,381.00	12,564,668.00
K. PROFIT AFTER TAX (I-J)		28,139,428.12	24,034,967.14
PROFIT CARRIED TO BALANCE SHEET		28,139,428.12	24,034,967.14

Notes on Accounts

M

As per our attached report of even date

For and on behalf of the Board of Directors

For **SHASHI CHADHA & CO.**

Chartered Accountants

Firm Registration No. : 15666N

H. C. GARG

Chairman cum Managing Director

CA. SHASHI KANT CHADHA

Prop.

M.No. 85777

ROHIT GARG

Whole-time Director

New Delhi

August 9, 2010

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2010**

	<i>2009-2010</i> (Rs. in Thousand)	<i>2008-2009</i> (Rs. in Thousand)
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX, INTEREST AND EXTRAORDINARY ITEMS	86,617.24	78,929.47
ADJUSTMENT FOR :		
DEPRECIATION	10,580.43	5,814.25
LOSS ON SALE OF FIXED ASSETS	720.40	1,588.30
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	97,918.07	86,332.02
ADJUSTMENT FOR :		
1. TRADE & OTHER RECEIVABLES	(62,659.26)	(835.90)
2. INVENTORIES	(264,112.94)	57,948.86
3. TRADE PAYABLES	35,463.31	20,867.38
4. OTHER CURRENT ASSETS	(386.06)	12,924.00
5. OTHER CURRENT LIABILITIES	(4,701.60)	5,568.16
CASH GENERATED FROM OPERATIONS	(198,478.49)	182,804.51
DIRECT TAXES PAID	(19,450.22)	(17,718.57)
NET CASH FROM OPERATING ACTIVITIES	(217,928.71)	165,085.94
B. CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS	(18,627.25)	(92,521.05)
SALE OF FIXED ASSETS	1,530	1,131.00
NET CASH FLOW FROM INVESTING ACTIVITIES	(17,097.25)	(91,390.05)
C. CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM BORROWINGS	281,380.29	(48,269.93)
DIVIDEND	(7,379.00)	(7,379.00)
TAX ON DIVIDEND	(1,254.06)	(1,254.06)
INTEREST PAID	(30,394.53)	(28,542.87)
NET CASH FLOW FROM FINANCING ACTIVITIES	242,352.70	(85,445.86)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	7,326.75	(11,749.97)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	7,203.03	18,953.00
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	14,529.78	7,203.03

For and on behalf of the Board of Directors

For **SHASHI CHADHA & CO.**
Chartered Accountants
Firm Registration No. : 15666N

CA. SHASHI KANT CHADHA
Prop.
M.No. 85777
New Delhi
August 9, 2010

H.C. GARG
Chairman cum Managing Director

ROHIT GARG
Whole-time Director

AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement of **GRM OVERSEAS LIMITED** derived from the Audited Financial Statements for the year ended March 31, 2010 and found the same to be drawn in accordance therewith and also with requirements of clause 32 of the listing Agreement with Stock Exchanges.

New Delhi
August 9, 2010

for **SHASHI CHADHA & CO.**
Chartered Accountants
Firm Registration No. : 15666N

CA. SHASHI KANT CHADHA
Prop.
M.No. 85777


SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	AS AT 31.03.2010 (Rupees)	AS AT 31.03.2009 (Rupees)
SCHEDULE 'A' - SHARE CAPITAL		
(i) AUTHORISED CAPITAL		
70,00,000 EQUITY SHARES OF RS. 10/- EACH	70,000,000.00	70,000,000.00
(ii) ISSUED, SUBSCRIBED & PAID UP CAPITAL		
36,89,500 EQUITY SHARES OF RS. 10/- EACH	36,895,000.00	36,895,000.00
SCHEDULE 'B' - RESERVE & SURPLUS		
CAPITAL RESERVE:		
INVESTMENT ALLOWANCE RESERVE	16,215.00	16,215.00
SHARE PREMIUM RESERVE	6,895,000.00	6,895,000.00
DEPRECIATION RESERVE	45,432,597.67	35,189,523.48
GENERAL RESERVE	54,457,325.69	54,457,325.69
REVALUATION RESERVE	19,485,409.00	19,485,409.00
PROFIT & LOSS ACCOUNT	83,153,806.77	55,014,378.65
FORFIETURE SHARE CAPITAL RESERVE	5,908,495.00	5,908,495.00
FORFIETURE SHARE PREMIUM RESERVE	5,908,495.00	5,908,495.00
TOTAL	221,257,344.13	182,874,841.82
SCHEDULE 'C' - SECURED LOANS		
STATE BANK OF INDIA EPC	540,208,500.58	379,943,267.58
STATE BANK OF INDIA C/C	—	34.06
STATE BANK OF INDIA SLC	99,967,492.00	—
TOTAL	640,175,992.58	379,943,301.64
SCHEDULE 'D' - UNSECURED LOANS		
LOANS FROM DIRECTORS	21,147,603.00	—
TOTAL	21,147,603.00	—

SCHEDULE 'E' - GROSS BLOCK / DEPRECIATION CHART AS PER COMPANIES ACT, 1956 FOR THE YEAR ENDED 31.03.2010

S.No.	PARTICULARS	OP. BALANCE	ADDITION	SOLD	TOTAL	RATE	DEPRECIATION	BALANCE
(PANIPAT UNIT)								
1	LAND	15,368,000.00	120,000.00	—	15,488,000.00	—	—	15,488,000.00
2	BUILDING	14,079,790.54	—	—	14,079,790.54	3.34%	470,171.26	14,079,790.54
3	PLANT & MACHINERY	94,725,403.08	1,322,627.60	—	96,048,030.68	5.28%	5,016,388.21	96,048,030.68
4	WATER TREATMENT PLANT	—	643,350.00	—	643,350.00	5.28%	12,906.56	643,350.00
5	TRIPAULS	6,651,342.34	—	—	6,651,342.34	5.28%	351,190.88	6,651,342.34
6	MOTOR TRUCKS	1,595,569.00	—	—	1,595,569.00	9.50%	151,579.06	1,595,569.00
7	MOTOR CARS	4,921,378.00	7,551,196.00	2,587,754.00	9,884,820.00	9.50%	605,129.43	9,884,820.00
8	SCOOTER	74,670.00	—	—	74,670.00	9.50%	7,093.65	74,670.00
9	FURNITURE	207,365.00	—	—	207,365.00	6.33%	13,126.20	207,365.00
10	OFFICE EQUIPMENTS	953,875.65	—	—	953,875.65	6.33%	60,380.33	953,875.65
11	COMPUTER	50,400.00	—	—	50,400.00	6.33%	3,190.32	50,400.00
12	CYCLE	4,900.00	—	—	4,900.00	9.50%	465.50	4,900.00
13	TRACTOR	—	1,041,650.00	—	1,041,650.00	9.50%	24,228.29	1,041,650.00
(NAULTHA UNIT)								
1	LAND	7,387,725.00	—	—	7,387,725.00	—	—	7,387,725.00
2	BUILDING	7,901,439.75	1,024,382.00	—	8,925,821.75	3.34%	264,470.52	8,925,821.75
3	PLANT & MACHINERY	66,224,360.00	6,924,040.00	—	73,148,400.00	5.28%	3,600,107.98	73,148,400.00
TOTAL		220,146,218.36	18,627,245.60	2,587,754.00	236,185,709.96		10,580,428.19	236,185,709.96

**SCHEDULES TO THE ACCOUNTS (CONTD.)**

PARTICULARS	AS AT 31.03.2010 (Rupees)	AS AT 31.03.2009 (Rupees)
SCHEDULE 'F' - INVESTMENTS		
SMALL SAVING A/C GPO	20,500.00	20,500.00
SHARES OF PARADISE ACADEMY	2,000,000.00	2,000,000.00
TOTAL	2,020,500.00	2,020,500.00
SCHEDULE 'G' - INVENTORIES	660,505,342.00	396,392,405.00
TOTAL	660,505,342.00	396,392,405.00
SCHEDULE 'H' - SUNDRY DEBTORS		
MORE THAN 6 MONTHS	26,647,867.00	50,000.00
OTHER DEBTS	80,847,258.09	44,785,862.09
TOTAL	107,495,125.09	44,835,862.09
SCHEDULE 'I' - CASH & BANK BALANCES	14,529,784.51	7,203,032.61
TOTAL	14,529,784.51	7,203,032.61
SCHEDULE 'J' - OTHER CURRENT ASSETS		
VAT RECEIVABLE	4,956,710.99	5,621,048.39
PREPAID INSURANCE	561,865.00	365,289.00
PREPAID CAR INSURANCE	27,793.00	28,099.00
LICENCE RECEIVABLE	—	1,326,465.00
SECURITY DEPOSITS	1,783,419.00	1,783,419.00
POST OFFICE/N.S.C.etc.	13,000.00	13,000.00
INCOME TAX REFUNDABLE	44,260.00	17,600.00
ADVANCE TAX	15,522,100.00	12,349,700.00
T.D.S. RECEIVABLE	38,417.00	259,228.00
INTEREST ACCRUED BUT NOT DUE	367,399.00	78,172.00
TOTAL	23,314,963.99	21,842,020.39


SCHEDULES TO THE ACCOUNTS (CONTD.)

PARTICULARS	AS AT 31.03.2010 (Rupees)	AS AT 31.03.2009 (Rupees)
SCHEDULE 'K' - LOANS & ADVANCES		
ADVANCES TO SUPPLIERS	818,283.90	1,905,165.70
TOTAL	818,283.90	1,905,165.70
SCHEDULE 'L' - CURRENT LIABILITIES		
SUNDRY CREDITORS	86,138,126.74	50,674,813.53
ADVANCES RECEIVED	929,804.00	2,115,651.00
BOOK OVERDRAFTS	—	8,527,387.16
COMMISSION	—	1,541,936.00
E.S.I.	9,280.00	42,405.00
PROVIDENT FUND	36,473.00	23,521.00
ELECTRICITY EXPENSES	872,677.00	1,059,609.00
LABOUR CHARGES	224,328.00	125,886.00
SALARIES	78,428.00	81,041.00
STICHING & PRINTING EXPENSES	62,551.00	76,699.00
T.D.S. PAYABLE	1,393,478.00	1,551,279.00
TELEPHONE EXPENSES	7,238.00	6,222.00
AUDIT & LEGAL FEES	67,500.00	60,996.00
PROVISION FOR DEFERRED TAXES	10,054,543.00	7,386,704.00
PROVISION FOR DIVIDEND	7,379,000.00	7,379,000.00
PROVISION FOR TAX ON DIVIDEND	1,254,062.00	1,254,062.00
SERVICE TAX	528.00	2,910.00
PROVISION FOR FRINGE BENEFIT TAX	—	56,384.00
BONUS	103,372.00	80,339.00
PROVISION FOR TAX	16,782,381.00	12,564,668.00
SUBSCRIPTION EXPENSES	—	2,500.00
MARKET FEES	—	18,048.00
TOTAL	125,393,769.74	94,632,060.69


SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

PARTICULARS	CURRENT YEAR ENDED 31.03.2010 (Rupees)	PREVIOUS YEAR ENDED 31.03.2009 (Rupees)
SCHEDULE 'N1' - SALES		
EXPORT SALES	2,523,170,634.38	2,459,535,657.88
LOCAL/CENTRAL	233,348,832.74	273,977,608.28
TOTAL	2,756,519,467.12	2,733,513,266.16
SCHEDULE 'N2' - OTHER INCOME		
EXPORT INCENTIVE	—	5,660,502.00
DIVIDEND	—	83,061.00
AGRICULTURAL INCOME	49,921.56	147,009.50
MILLING CHARGES	173,380.00	—
OTHER INCOME	89,280.00	—
TOTAL	312,581.56	5,890,572.50
SCHEDULE 'N3' - INCREASE/(DEREASE) IN STOCK		
CLOSING STOCK	501,237,067.00	189,212,600.00
OPENING STOCK	189,212,600.00	204,666,720.00
	312,024,467.00	(15,454,120.00)
SCHEDULE 'O' - COST OF MATERIAL CONSUMED		
OPENING STOCK	207,179,805.00	249,674,540.00
PURCHASES	2,637,542,575.11	2,190,212,532.81
	2,844,722,380.11	2,439,887,072.81
CLOSING STOCK	159,268,275.00	207,179,805.00
	2,685,454,105.11	2,232,707,267.81
SCHEDULE 'P' - MANUFACTURING EXPENSES		
BOILER EXPENSES	667,393.25	333,720.00
COMMISSION	13,805,634.00	11,253,199.00
ELECTRIC & GENERATOR EXPS.	38,601,934.60	30,419,269.36
LABOUR CHARGES	1,993,407.00	1,565,493.59
GOVT. FEES & TAXES	32,108,057.00	21,686,387.00
FREIGHT & CARTAGE	21,423,936.80	24,877,179.28
SORTEX EXPENSES	732,676.08	374,178.61
STICHING & PRINTING	1,210,886.00	873,769.00
STORES PURCHASE	6,346,516.68	5,173,844.79
TESTING CHARGES	56,790.00	21,070.00
TOTAL	116,947,231.41	96,578,110.63



PARTICULARS	CURRENT YEAR ENDED 31.03.2010 (Rupees)	PREVIOUS YEAR ENDED 31.03.2009 (Rupees)
SCHEDULE 'Q' - ADMINISTRATIVE & SELLING EXPENSES		
RENT	2,323,201.00	2,441,771.00
BUILDING REPAIRS	205,153.00	126,049.00
ADVERTISEMENT EXPENSES	50,336.00	39,740.00
ANNUAL MAINTENANCE CHARGES	—	49,768.00
AUDITOR'S REMUNERATION	75,000.00	50,000.00
CONSULTANCY CHARGES	108,911.00	315,443.00
TOUR & TRAVELLING EXPENSES	287,181.00	438,216.00
BUSINESS PROMOTION	423,687.00	764,707.00
SHIPPING & FORWARDING	74,540,117.29	85,509,501.10
FREIGHT & CARTAGE	56,974,020.86	37,680,777.63
CAR INSUARANCE CHARGES	62,880.00	69,630.00
INSURANCE CHARGES	2,692,819.25	2,406,830.83
FRINGE BENEFIT TAX	1,515.00	184,413.00
LEGAL EXPENSES	—	21,510.00
CESS FEES ON RICE EXPORTS	—	155,063,970.00
MISC. EXPENSES	49,316.18	57,200.41
ENTERTAINMENT EXPENSES	112,620.00	99,580.00
PACKING EXPENSES	9,365,034.86	5,428,996.53
PRINTING & STATIONERY & POSTAGE	246,684.76	190,374.00
REPAIR & MAINTENANCE	7,357,755.34	4,693,670.40
ELECTRIC REPAIRS	1,405,822.46	1,119,585.77
REMUNERATION TO STAFF	1,399,673.00	1,054,322.00
DIRECTORS REMUNERATION	1,620,000.00	720,000.00
TELEPHONE EXPENSES	274,547.00	185,435.66
TRUCK EXPENSES	430,697.00	258,116.00
TOTAL	160,006,972.00	298,969,607.33
SCHEDULE 'R' - FINANCIAL EXPENSES		
BANK CHARGES	4,111,227.34	4,950,435.05
BANK INTEREST	28,122,674.13	26,928,919.00
INTEREST	2,271,855.29	1,613,951.00
TOTAL	34,505,756.76	33,493,305.05
SCHEDULE 'S' - OTHER EXPENES		
BONUS	103,372.00	80,339.00
CAR & SCOOTER EXPENSES	612,923.00	640,655.29
LOCAL CONVEYANCE	106,140.00	87,910.00
CHARITY & DONATION	—	42,600.00
DOCUMENT ATTESTATION	101,900.00	103,715.00
EXCISE DUTY	—	29,272.00
LICENCE FEES & GOVT. FEES	1,524,614.00	751,874.00
P.F. & E.S.I.	398,302.00	346,215.00
REBATE AND DISCOUNT	1,115,804.09	766,964.28
SERVICE TAX	405,757.00	1,480,636.00
SUBSCRIPTION EXPENSES	32,500.00	41,000.00
LOSS ON SALE OF MACHINERY	—	456,384.00
LOSS ON SALE OF CAR	720,400.00	1,131,917.00
INCOME/WEALTH TAX	17,600.00	41,100.00
TOTAL	5,139,312.09	6,000,581.57


SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2010.
A. SIGNIFICANT ACCOUNTING POLICIES:

- (i) **Accounting Conventions:-** The financial statements are prepared under the historical cost convention on accrual method of accounting in accordance with applicable Accounting Standards.
- (ii) **Fixed Assets :-** Fixed Assets are capitalised at cost inclusive of incidental expenses.
- (iii) **Depreciation :-** The Company provides depreciation on its fixed assets on SLM basis at the rates specified in Schedule XIV of the Companies Act, 1956 on pro rata basis.
- (iv) **Investments :-** Investments are stated at cost of acquisition.
- (v) **Preliminary Expenses :-** There are no preliminary expenses.
- (vi) **Inventories :-** Inventories are valued at cost or market price whichever is lower.

B. NOTES FORMING PART OF THE ACCOUNTS :

1. Cash credit facilities availed from S.B.I., G.T. Road, Panipat are secured by the hypothecation of inventories and personal guarantee of directors.
2. The outstanding balance of debtors, creditors etc. are subject to confirmation & reconciliation.
3. The Company generally follows mercantile system of accounting and recognizes income and expenditure on accrual basis except taxes, interest & penalties by sales tax authorities, which are taken on payment basis.
4. Previous year figures have been regrouped/rearranged wherever necessary.
5. Stock, production, purchase and turnover (Quantities in Quintals and value in Rupees).

Particulars	Current Year		Previous Year	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
OPENING STOCK				
Rice	102,897.638	189,212,600.00	106,948.050	200,206,750.00
Paddy	155,139.345	199,320,482.00	192,324.950	239,444,563.00
Bardana (Bags)	689,479.000	5,929,519.00	639,578.000	5,372,457.00
Rice Bran	2,522.620	1,929,804.00	1,410.000	909,450.00
Granules	—	—	561.400	3,929,800.00
Polythene	—	—	522.700	4,459,970.00
Polythene Waste	—	—	10.150	18,270.00
Total		396,392,405.00		454,341,260.00
CLOSING STOCK				
Rice	157,092.246	499,553,342.00	102,897.638	189,212,600.00
Paddy	83,125.525	150,457,209.00	155,139.345	199,320,482.00
Bardana (Bags)	835,612.000	8,811,066.00	689,479.000	5,929,519.00
Rice Bran	2,116.295	1,683,725.00	2,522.620	1,929,804.00
Total		660,505,342.00		396,392,405.00
PRODUCTION/PURCHASE				
Rice (Purchased)	282,435.860	1,415,129,827.10	242,335.900	1,252,728,065.00
Rice (Produced)	377,164.000	—	279,364.250	—
Paddy	521,201.390	1,172,700,038.75	403,304.735	873,718,745.00
Granules	—	—	3,275.000	24,688,701.86
Polythene	—	—	3,547.570	—



Particulars	Current Year		Previous Year	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
TURNOVER				
Rice	605,119.552	2,715,618,454.71	525,165.782	2,798,071,953.00
Paddy	—	—	5,450.290	22,226,283.00
Polythene	—	—	4,070.270	37,960,070.00
Granules	—	—	140.000	1,386,312.00
RAW MATERIALS CONSUMED				
Paddy (Milled)	593,186.000	—	435,040.050	—
Granules	—	—	3,696.400	—
Shortages :				
Rice	285.700	—	584.780	—
Paddy	29.210	—	—	—

6. Earning Per Share

31.03.2010 9.63

31.03.2009 8.51

7. Additional Information

a. Class of goods manufactured **Rice.**

b. Capacity/Licensed

c. Installed

8. Expenditure on employees

Employees in receipt of remuneration in aggregate not less than Rs. 12,00,000/- per annum if employed throughout the year or Rs. 1,00,000/- per month if employed for the part of the year.

No. of employees : NONE

Amount : Nil

for **SHASHI CHADHA & CO.**

Chartered Accountants

Firm registration no.15666N

Place : New Delhi

Date : 9th August, 2010

CA. SHASHI KANT CHADHA

Prop.

M.No. 85777

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I REGISTRATION DETAILS**

Registration No.	64007	State Code	55
Balance Sheet Date	31 03 2010		
	Date	Month	Year

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue	Right Issue
Nil	Nil
Bonus Issue	Private Placement
Nil	Nil

III. POSITION MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities	919476	Total Assets	919476
Sources of Funds		Application of Funds	
Paid-up Capital	36895	Fixed Assets (Gross Block)	236186
Reserve & Surplus	221257	Investment	2021
Secured Loan	640176	Net Current Assets	681269
Unsecured Loan	21148	Misc. Expenditure	NIL
Accumulated Losses	NIL		

IV. PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Turnover and other Receipts	2756832
Total Expenditure	2700609
Profit/Loss before Tax	56223
Profit/Loss after Tax	35518
Earning per Share (Rs.)	9.63
Dividend rate %	20%

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCT/SERVICES OF COMPANY

(AS PER MONETARY TERMS)

Item Code No.(ITC Code)	100610
Product Description	Rice

As per our attached report of even date

For and on behalf of the Board of Directors

For **SHASHI CHADHA & CO.**

Chartered Accountants

Firm Registration No. : 15666N

H. C. GARG

Chairman cum Managing Director

CA. SHASHI KANT CHADHA

Prop.

M.No. 85777

ROHIT GARG

Whole-time Director

Place : New Delhi

Date : August 9, 2010



GRM OVERSEAS LIMITED

Regd. Office : 219-A, Rama Market, Pitampura, Delhi - 110 034

ATTENDANCE SLIP

DP ID / Client ID	
-------------------	--

Please complete this attendance slip and hand it over at the entrance counter.

NAME OF MEMBER	
----------------	--

FOLIO NUMBER/DP ID & CLINT ID		NO. OF SHARES	
-------------------------------	--	---------------	--

I/We hereby record my/our presence at the 16th Annual General Meeting of the Company to be held on Thursday, the 30th September, 2010 at 9.30 A.M. at 219-A, Rama Market, Pitam Pura, Delhi - 110 034.

NAME OF THE PROXY		SIGN. OF MEMBER/PROXY	
-------------------	--	-----------------------	--

NOTE : NO GIFT SHALL BE DISTRIBUTED AT THE MEETING.



GRM OVERSEAS LIMITED

Regd. Office : 219-A, Rama Market, Pitampura, Delhi - 110 034

PROXY FORM

FOLIO NUMBER/DP ID & CLINT ID		NO. OF SHARES	
-------------------------------	--	---------------	--

I/We _____

R/o _____

being a Member/Members of the above mentioned Company, hereby appoint Sh./Smt. _____

R/o _____

failing him, Sh./Smt. _____

R/o _____

as my/our Proxy to attend and vote for me/us (in the event of Poll) on my/our behalf at the 16th Annual General Meeting of the Company to be held on Thursday, the 30th September, 2010 at 9.30 A.M. at 219-A, Rama Market, Pitam Pura, Delhi - 110 034 or at any adjournment thereof.

Signed this _____ day of _____ 2010. Signature _____

Afix
Rs. 1/-
Revenue
Stamp

Note :

THE PROXIES MUST REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR HOLDING THE AFORESAID MEETING.

BOOK-POST

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If undelivered please return to :
GRM OVERSEAS LIMITED
219-A, Rama Market, Pitampura
Delhi - 110 034