



GRM OVERSEAS LIMITED

— ANNUAL REPORT 2020-21 —

GROWING 10X



BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

| | | |
|----|---|--|
| 1 | Corporate Identity Number (CIN) of the Company | L74899DL1995PLC064007 |
| 2 | Name of the Company | GRM OVERSEAS LIMITED |
| 3 | Registered Address | 128, First Floor, Shiva Market Pitampura North Delhi DI 110034 |
| 4 | Website | www.grmrice.com |
| 5 | E-mail | Investor.grm@gmail.com |
| 6 | Financial year reported | FY 2020-21 |
| 7 | Sector(s) that the Company is engaged in (industrial activity code-wise) | Group: 106 Rice, Rice Products and Other Byproducts (Class: 1061, Sub-Class: 10612 - Rice milling) |
| 8 | List three key products/services that the Company manufactures/ provides | Rice 1. Himalaya River 2. Tanoush 3. 7 Express |
| 9 | Number of locations where business activities are undertaken by the Company | Registered Office: 128, First Floor, Shiva Market, Pitampura, Delhi-110034 Corporate Office: Gohana Road, Village Naultha, Panipat-132103(Haryana) Plant: Gohana Road, (Near Sugar Mill), Panipat-132 103 (Haryana) Plant: 328-329, GIDC Estate, Near Mid India Gandhidham Road, Mithirohar Taluka, Gandhidham, Kutch, Gujrat |
| 10 | Markets served by the Company Local/State/ National/International | GRM is a 3rd Largest rice Exporter and Export in over 38 countries including Middle East, UK, USA, Europe, Australia and having Strong Distributorship across India having 90235 touch point outlets. |

Section B: Financial Details of The Company

| | | |
|---|---|---|
| 1 | Paid up Capital (INR) | 394 Lacs |
| 2 | Total Turnover (INR) | 77808.82 Lacs |
| 3 | Total profit after taxes (INR) | 3662.73 Lacs |
| 4 | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | Company has spent 61 lacs on CSR Activities during the Financial Year under review, representing 1.66% of Profit after Tax. |
| 5 | List of activities in which expenditure in 4 above has been incurred: | Please refer Board Report Section "Annual Report on Corporate Social Responsibility (CSR) Activities" |

Section C: Other Details

| | | |
|---|--|--|
| 1 | Does the Company have any Subsidiary Company/ Companies? | Company has following Subsidiary Companies: a. GRM International Holding Ltd (UK) b. GRM Fine Foods INC. (USA)(Step Down Subsidiary) c. GRM Foodkraft Private Limited (India) |
| 2 | Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) | No |
| 3 | Do any other entity/ entities (e.g. Supplier, Distributor etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes indicate the percentage of such entities? (Less than 30%, 30 – 60% and More than 60%)? | No |

Section D: BR Information

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1. DIN Number: 02380612
2. Name: Atul Garg
3. Designation: Managing Director and Chairperson

(b) Details of the BR head

| Sr. No. | Particular | Details |
|---------|------------------|-----------------------------------|
| 1 | DIN Number | 02380612 |
| 2 | Name | Atul Garg |
| 3 | Designation | Managing Director and Chairperson |
| 4 | Telephone Number | 011-47330330 |
| 5 | E Mail ID | Atul@grmrice.com |

2. Principle-wise (as per NVGs) BR Policy/policies:

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

These briefly are as follows:

| Principles | Description | Company's Policy |
|-------------|---|---|
| Principle 1 | Businesses should conduct and govern themselves with ethics, transparency and accountability. | Code of Conduct, Whistle Blower Policy |
| Principle 2 | Businesses should provide goods and services that are safe and contribute to sustainability through their life cycle. | Quality Policy |
| Principle 3 | Businesses should promote the well-being of all employees | HR Policy |
| Principle 4 | Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized. | CSR Policy and Code of Conduct |
| Principle 5 | Businesses should respect and promote human rights. | CSR Policy, Vigil Mechanism and HR policy |
| Principle 6 | Businesses should respect, protect and make efforts to restore the environment | CSR Policy |
| Principle 7 | Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner. | Code of Conduct |
| Principle 8 | Businesses should support inclusive growth and equitable development | CSR Policy |
| Principle 9 | Businesses should engage with and provide value to their customers and consumers in a responsible manner. | Code of Conduct and Quality Policy |

(a) Details of compliance (Reply in Y/N)

| Sr. No. | Questions | P1 | P2 | P2 | P3 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|---|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 1 | Do you have a policy/policies for.... | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES |
| 2 | Has the policy being formulated in consultation with the relevant stakeholders? | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES |
| 3 | Does the policy conform to any national / international standards? If yes, specify? (50 words) | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES |
| | | Most of the policies are aligned to various standards like: ISO 9001 (Quality management system), ISO 14001 (Environment Management System), ISO 45001 (Occupational Health & Safety Management System) | | | | | | | | | | |
| 4 | Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES |
| 5 | Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES |
| 6 | Indicate the link for the policy to be viewed online? | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES |
| | | The Policies are available on the Company's website www.grmrice.com | | | | | | | | | | |

| Sr. No. | Questions | P1 | P2 | P2 | P3 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|--|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES |
| 8 | Does the company have in-house structure to implement the policy/ policies. | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES |
| 9 | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES |
| 10 | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | NO | NO | NO | NO | NO | NO | NO | NO | NO | NO | NO |
| | | The Policies are evaluated internally from time to time and updated whenever required. | | | | | | | | | | |

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

| Sr. No. | Questions | P1 | P2 | P2 | P3 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|---|----|----|----|----|----|----|----|----|----|----|----|
| 1 | The company has not understood the Principles | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 2 | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 3 | The company does not have financial or manpower resources available for the task | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 4 | It is planned to be done within next 6 months | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 5 | It is planned to be done within the next 1 year | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 6 | Any other reason (please specify) | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The BR Performance of the company is assessed on a need basis and in accordance with statutory requirements.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Business Responsibility is forming part of Directors' Report in Annual Report 2020-21 for the first time and is available on Company's website www.grmrice.com under the link Investors.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?

Yes, the Company has policies to address ethics, bribery and corruption related matters. The Company encourages its business partners to adopt and follow equivalent policies.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Our Company has not received any complaint with respect to ethics, bribery and corruption during the Financial Year 2020-21.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company's Products are packed in materials that use safe inks.

The Company has also attempted minimizing the use of hard to recycle plastics in its Himalaya River range of products.

Also, the company has chosen to minimize the use of single use plastics. As a result, the Company has brought jar packaging in its Tanoush range to reduce the use of single use plastics.

2. For each product, provide the following details:

(i) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

The Company has continued to use treated water during the production of rice.

(ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Using rainwater harvesting, the Company has been able to reduce its dependency on other sources of water.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

The Company is Exclusively deal with processing of rice and Procurement of rice is made Majorly from Farmers and Certified Grower Groups. The Company chooses its suppliers through strictly laid out procedures.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors.

GRM being agriculture company works with local farmers. GRM aims to procure paddy from small, micro and medium producers that surround its premises. Throughout the year, GRM educates the farmers about the development in agriculture which allows them to grow superior quality of paddy that meets GRM's expectations.

5. Does the Company have mechanism to recycle products and waste? If yes, what is the percentage of recycling products and waste?

GRM tries to recycle and reuse a major part of its waste. It continues to reuse jute bags instead of plastic bags for the store of rice and paddy. Being a biodegradable material, jute allows GRM to not depend on non-biodegradable forms of packing.

Principle 3: Businesses should promote the wellbeing of all Employees**1. Please indicate the total number of employees**

Total Number of Employee are 430 (Direct/Indirect).

2. Please indicate the total number of employees hired on temporary/ contractual/casual basis

351

3. Please indicate the number of permanent women employees.

NIL

4. Please indicate the number of permanent employees with disability.

NIL

5. Do you have an employee association that is recognized by Management?

No

6. What percentage of the permanent employees are a member of this recognized employee association?

NA

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

NIL

8. What percentage of the under mentioned Employees were given safety and skill up-gradation training in the last year?

Approximately 90%. Various programs are conducted for safety and skill upgradation. Various programs and audits are conducted for getting the various quality certificates and licenses like ISO 22000, ISO 9000, HAACP (Hazard Analysis and Critical Control Point), BRC Certificate for global standards specifying safety, quality and operational criteria, USFDA Certificate, NPPO (National Plant Protection Organisation), FSSAI Certificate (Food Safety & Standards Authority of India).

Principle 4: Businesses should respect the interests of, and be responsive to the needs of all Stakeholders, especially those who are disadvantaged, vulnerable, and marginalized

1. Has the Company mapped its Internal and External Stakeholders?

Internal Stakeholders:

- a) Management
- b) Employees
- c) Farmers
- d) Investors/Shareholders

External Stakeholders:

- a) Suppliers
- b) Vendors
- c) Partners
- d) Customers
- e) Retailers
- f) Distributors
- g) Local Communities
- h) Government Authority/Regulators

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized Stakeholders?

YES

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized Stakeholders? If so, provide details thereof. Also, if Yes, whether any environmental compliance report is filed?

Yes, Company always take initiative to help differently abled person, Improving access to safe water, sanitation and hygiene, Empowering woman and promoting gender equality, Organizing Training and development session for our people and periodically rewarding employees based on their performance.

Principle 5: Businesses should respect and promote Human Right

1. Does the policy of the Company on Human Rights cover only the Company or extend to the Group/ Joint Ventures/Suppliers/ Contractors/NGOs/Others?

Policy of Company for Human Right cover to the Company and Group and Joint ventures and Company also encourages its suppliers contractor and others associated with the Company adopt the policy for Human right.

2. How many Stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

Our Company has not received any complaint with respect to ethics, bribery and corruption during the Financial Year 2020-21.

Principle 6: Business should respect, protect, and make efforts to restore the Environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/others?

Policy of Company cover to the Company and Group and Joint ventures and Company also encourages its suppliers contractor and others associated with the Company adopt the policy for Human right.

2. Does the Company have strategies/initiatives to address Global Environmental Issues such as Climate Change, Global Warming, etc? Y/N. If yes, please give hyperlink for webpage etc.?

Yes, Company is actively engage in the initiatives to address Global Environmental and set up Rain Water Harvesting at its plants and factories. We work with farmers to Promote Sustainable rice cultivation and we are Member of NPPO(National Plant Protection Organisation. Further details can be viewed on the hyperlink <http://www.grmrice.com/csr>.

3. Does the Company identify and assess potential Environmental Risks?

Yes, GRM has identified and assessed potential Environmental Risks in relation to its operations which are as follows:

- 1) Climate change risks;
- 2) Water availability risks;
- 3) Agricultural risks;
- 4) And risk pertaining to Raw Material

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if Yes, whether any Environmental Compliance Report is filed?

No, Company has no Specific project related to clean development mechanism but company continuously make efforts for environment protection and awareness clean environment. Company is also member of NPPO(National Plant Protection Organisation).

5. Has the Company undertaken any other initiatives on – Clean Technology, Energy Efficiency, Renewable Energy, etc. Y/N. If yes, please give hyperlink for web page etc.?

Yes, Company has installed pollution free DG Sets at all the plants to keep the environment neat and clean and

to have protection from global warming. Moreover we have installed ETP (Effluent Treatment Plant) at various plants designed for treating the industrial waste water for its reuse or safe disposal to the environment.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the Company adheres to the permissible limits of emissions and wastes.

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

NIL

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is the Company a member of any Trade and Chamber or Association? If Yes, Name only those major ones that the business deals with:

No

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)?

No

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof?

Yes, Company spends every year in Social causes through its Corporate Social Responsibility Committee. CSR Committee undertake to take to take various steps for Inclusive growth and equitable development. Various training programmes are conducted for procurement of quality licences and certificates, skill development programmes and we also make arrangement for staff for outside training for skill development and quality control programmes. Details of CSR Initiative taken by company are Given in Annexure-4 of Board Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/ any other organization?

GRM has CSR Committee which is responsible for initiation of any project or programme. Committee finalise the Project and it is undertaken through External NGO and Company as well.

3. Have you done any impact assessment of the initiative?

Yes, the Company assessed the impact of CSR Projects and Programs undertaken at its CSR Committee Meetings

4. What is the Company's direct contribution to Community Development Projects- Amount in INR and the details of the projects undertaken?

The Company has Spent 61 lacs during the year 2020-21 as part of its CSR initiative. Details of CSR Initiative are provided in Annexure-4 of Board Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the Community?

Yes, GRM frequently monitor its CSR Initiative made through external agencies and also take utilization certificate to ensure successful implementation of its projects.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

No customer complaints/consumer cases are pending as on the end of financial year.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A./Remarks(additional information)?

Yes, Product Safety is very important for GRM. So, product information details are always displayed on the label over and above what is being mandated as per local laws.

3. Is there any case filed by any Stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so?

NIL

4. Did the Company carry out any consumer survey/ consumer satisfaction trends?

No