

Date: 15.05.2019

To,
Department of Corporate Services
Bombay Stock Exchange Limited,
P. J. Towers, Dalal Street,
Mumbai- 400001

Sub: Press Release Acquisition of a Manufacturing Facility

Dear Sir/ Madam,

With reference to the above captioned subject, please find enclosed of the copy of press release issued by the company on May 15, 2019, pursuant to the Regulation 30 of SEBI (LODR) Regulations, 2015.

You are requested to take the above on your records and acknowledge the same.

For GRM Overseas Limited


Atul Garg Director

DIN : 02380612

**Address: 679-L Model Town
Panipat 132103 Haryana.**

Encl.: a/a

CIN-L74899DL1995PLC064007

GRM Overseas Announces the Acquisition of a Manufacturing Facility

Doubles its capacity to meet the growing international demand for GRM brand

Strategic location near the Mundra port provides logistical synergies

Panipat, India, May 15, 2019 – GRM Overseas Limited, the third largest basmati rice exporter in the world and second largest in the Middle East (referred to as “GRM” or the “Company”), announces the acquisition of a manufacturing facility at Gandhidham, Kutch, Gujarat. This acquisition is in line with GRM’s strategic plan to expand capacity and develop a warehouse closer to the Mundra port to augment exports.

Acquisition of a manufacturing facility:

- Facility included land & building and two sortex plants
- Cost of acquisition was Rs. 12 Crores
- The production capacity of this unit is 800 MT per day
- The acquisition has been funded through internal accruals
- Plant to commence operations in the second half of May 2019

GRM has also purchased an adjoining plot of land:

- Plot area of 16,500 sq.mtr
- Cost of acquisition of land was Rs.1.55 crores
- Proposed capex of approximately Rs. 5 crores to develop a warehouse and additional production capacity
- The capex is purposed to be funded through a combination of bank borrowings and internal accruals

Strategic Rationale

1. Creation of manufacturing capacity at a strategic location to cater to the growing international demand for GRM’s branded products
2. Proximity to the Mundra port will not only result in lower logistics costs but also reduce transit time for export orders
3. Enhance GRM readiness to fulfil export orders
4. Quality assurance and adherence to strict international standards
5. Inhouse warehouse will ensure better inventory management
6. Inhouse production and packaging will result in savings of job work cost and improve overall profitability

Commenting on the development, **Mr. Atul Garg, Managing Director** said:

We are pleased to announce the acquisition of a manufacturing facility from United Foods, which will increase our production and processing capacity substantially by 800 MT per day. This is an important milestone as we have been pursuing expansion of our business in various geographies such as Europe, US and the Middle East. In addition, an industrial plot of land adjoining to the factory has been acquired which will be used for building of warehousing facilities besides additional production and processing capacity.

These initiatives are in line with our long-term strategic plan to increase the production capacity to meet the growing demand and at the same time ensuring that our products continue to meet the high level of quality that is synonymous with the GRM brand. Further, the additional warehousing capacity near the Mundra port will lower lead times for our export order deliveries, thus improving efficiency and productivity in our business cycle.

GRM is already a trusted supplier internationally with vast distribution networks and these new plants will dedicatedly serve the export markets whereas the Panipat plant will focus on serving the domestic market as well as the export markets.

About GRM Overseas:

GRM Overseas Ltd (GRM). is India's 3rd largest basmati rice exporter globally and the 2nd largest rice exporter to the Middle East as per latest APEDA data. The Company is primarily focused on traditional varieties of basmati rice and is also currently the global leader in Indian specialty rice. GRM sells basmati rice, premium long-grain rice grown only in certain regions of the India sub-continent, under their flagship brands 'Tanoush', 'Himalaya River' as well as under third party brands.

The Company was founded in 1974 and has a 45 year old legacy of quality and trust in the rice business. GRM operates from three state of the art manufacturing facilities, two in Panipat, Haryana and the other in Gandhidham, Gujarat. Exports are made to over 32 countries, including USA, UK and other European countries.

GRM is headquartered in India, with regional / subsidiary offices in the US and UK. The Company aims to deliver the best quality products to customers with stringent and proactive quality control procedures in place which is in accordance with international requirements.

Going forward, GRM is focused on diversification of the product portfolio into high-quality value-added offerings such as branded basmati, specialty rice varieties and organic rice products for the international markets.



“GRM promises excellence engraved in every grain and we are the tastemakers of a delectable feast, making us the first choice of many customers across the globe.”

For further information, please contact:

Atul Garg, Managing Director
GRM Overseas Limited
+91 180 265 2476
atul@grmrice.com

Ravi Gothwal / Samantha Francis
Churchgate Partners
+91 22 6169 5988
grm@churchgatepartners.com

Safe Harbour:

This release contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to GRM's future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. GRM undertakes no obligation to publicly revise any forward-looking statements to reflect future / likely events or circumstances.