

MD	✓		BKC	✓
CS	2A		DPY	NA
RO	✓		ENV	201
TRA	✓		OC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

*5th*  
*Annual Report*  
*1997-98*





## BOARD OF DIRECTORS

R.P.Jain, *Chairman*

Mohit Jain, *Managing Director*

L.C.Kapoor

S.C.Nanda

Pradeep Dinodia

Deepak Chowdhry

## AUDITORS

R.Bhatia & Co.

## BANKER

Vijaya Bank

## REGISTERED OFFICE

8377, Roshanara Road,  
Delhi - 110 007.

## FACTORIES

### Flour Milling Division

33-33A, Shivaji Marg Industrial Area,  
New Delhi - 110 015.

### Flavour Foods Division

C-40, Meerut Road Industrial Area,  
Ghaziabad (U.P.)-201 003.

## REGISTRARS & TRANSFER AGENT

ABC Computers Pvt. Ltd.  
116, Sant Nagar,  
East of Kailash,  
New Delhi-110 065.

AR 27/9/96.



## NOTICE

Notice is hereby given that the 5th Annual General Meeting of the Members of **DFM FOODS LIMITED** will be held on Thursday, the 24th day of September, 1998 at 10.00 A.M. at Air Force Auditorium, Subroto Park, New Delhi-110 010 to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet as at 31st March, 1998, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. R.P. Jain, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Mohit Jain, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors who shall hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

M/s R. Bhatia & Co., Chartered Accountants, the retiring Auditors being eligible offer themselves for re-appointment.

### SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

"RESOLVED pursuant to Section 163(1) and other applicable provisions, if any, of the Companies Act, 1956 and applicable Articles of the Articles of Association of the Company and in supersession of the earlier Special resolution passed in the 2nd Annual General Meeting of the members held on 30th September, 1995 that consent of the members of the Company be and is hereby accorded for keeping the Registers and the Indexes of members, Debenture holders, if any, and Copies of Annual Returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act or any one or more of them at the office of the Registrars and Share Transfer Agent of the Company M/S ABC Computers Pvt. Ltd., presently situated at 116, Sant Nagar, East of Kailash, New Delhi-110065 or at such other place wheresoever its office will be situated within the National Capital Territory of Delhi.

RESOLVED FURTHER that the Registers, Indexes, returns, books, certificates, documents of the Company required to be maintained and kept open for inspection under the provisions of the Companies Act, 1956, be kept open for such inspection, at the place where they are kept, by the persons entitled thereto, to the extent, in the manner and on payment of fees, if any, specified in the aforesaid Act during working hours on any working day except when the registers and books are closed under the provisions of the Act or Articles of Association of the Company."

By order of the Board  
for DFM FOODS LIMITED

DELHI  
DATED: 25th July, 1998

(NAND KISHORE ARORA)  
SECRETARY

Registered Office:  
8377, Roshanara Road, Delhi - 110007.

**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 AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business under Item No. 5 set out above is annexed hereto.
3. The Register of Members and Share Transfer books of the Company will remain closed from 7th Sept., 1998 to 24th Sept., 1998 both days inclusive.
4. Members/Proxies should bring the Attendance slip duly filled in for attending the meeting.
5. Members are requested to intimate ABC Computers Pvt. Ltd., 116, Sant Nagar, East of Kailash, New Delhi - 110065, Registrar and Transfer Agent of the Company, change of address, if any, along with Pin Code Numbers immediately for updating the records.
6. Members who have so far not encashed their dividends for the financial years ended 31st March, 1996 and 31st March, 1997 may claim or approach the Company for payment of the same.
7. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the Registrar and Share Transfer agent of the Company.



## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT

[Pursuant to Section 173(2) of the Companies Act, 1956]

#### ITEM NO. 5

In accordance with the Special resolution earlier passed by the members of the Company under Section 163 of the Companies Act, 1956 at their 2nd Annual General Meeting held on 30th September, 1995, the Register of Members and its indexes, Copies of Annual Return, Certificates and documents to be annexed thereto are being kept with the Registrars and Share Transfer Agent of the Company M/S ABC Computers Pvt. Ltd.

Now, the Registrars and Share Transfer Agent is shifting its office to 116, Sant Nagar, East of Kailash, New Delhi-110065 w.e.f. 1st September, 1998. As such, the consent of the shareholders is sought by way of a special resolution for keeping the aforesaid documents at their new office.

The Board of Directors recommends the resolution for approval of members.

None of the directors is concerned or interested in this resolution.

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By order of the Board  
for DFM FOODS LIMITED

DELHI  
DATED: 25th July, 1998

(NAND KISHORE ARORA)  
SECRETARY

**Registered Office:**  
8377, Roshanara Road, Delhi - 110007.

## DIRECTORS' REPORT

Your Directors have pleasure in presenting their report alongwith the audited accounts of the Company for the year ended 31st March, 1998.

### FINANCIAL RESULTS

The financial results as compared to the previous year are as under:-

	(Rs. In lacs)	
	Year ended 31.3.98	Year ended 31.3.97
<b>Total Turnover</b>	<b>6317.70</b>	<b>6154.13</b>
Profit before interest and depreciation	75.33	199.35
Interest	30.43	13.07
Profit before depreciation	44.90	186.28
Depreciation	34.72	29.98
Profit before Tax	10.18	156.30
Provision for Tax	—	18.40
Net profit for the year	10.18	137.91
Surplus brought forward	53.06	41.93
Available for appropriation	63.24	179.84
<b>Appropriations</b>		
Proposed Dividend	—	69.80
Dividend Tax	—	6.98
Income Tax for Previous year	1.61	—
House Tax for Previous year	14.99	—
Transferred to General Reserve	—	50.00
Balance Carried forward	46.64	53.06

### DIVIDEND

Your Directors are unable to recommend the payment of any dividend in view of the difficult situation faced by the Company during the year.

### REVIEW OF BUSINESS

#### Flour Milling

The year began with a situation of extreme shortage of wheat in the system coupled with demand being at an all time low. A bumper crop ensured adequate availability of wheat throughout the year but demand was extremely slow to revive. Consequently, recessionary conditions prevailed. In view of the excess capacity there was stiff competition and margins were adversely affected thereby severely affecting profitability.

In order to counter this situation your Directors continued to follow and are further strengthening policies directed towards creating product differentiation in the market. Besides, the product mix is being adjusted to better suit the market demand. As a result, despite adverse market conditions, the volume of business was maintained and there were gains in market share for the principal products.

#### Snack Foods

Your Directors are of the view that this business has reached a stage from where substantial growth can be achieved. However, to realize this potential, substantial investments in marketing activities involving media expenditure on the brands, is required to be undertaken. As the brands were not owned by the Company, your Directors weighed the options before them and thereafter decided that it would be prudent to acquire the brands so that future benefits



would accrue solely to the Company. Accordingly the brands were purchased from the promoter Company for a consideration of Rs.2.30 crores. Besides this, several other steps to cater to higher demand were undertaken. These include upgrading of the factory infrastructure as well as further addition to namkeen manufacturing capacity.

During the current year the distribution system was further strengthened and production was stabilized at higher levels. Sales of both extruded snacks and namkeens continued to grow handsomely.

#### **FIXED DEPOSITS**

The total amount of deposits remaining due not having been claimed for repayment as on 31.3.98 was Rs.15,000 in respect of 1 deposit which has since been renewed.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information pursuant to Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is enclosed in Annexure "A" of this report.

#### **PARTICULARS OF EMPLOYEES**

The details of remuneration paid to employees under Section 217(2A) of the Companies Act, 1956 are set out in Annexure "B" of this report.

#### **DIRECTORS**

Shri R. P. Jain and Shri Mohit Jain retire by rotation and being eligible, offer themselves for reappointment.

#### **AUDITORS**

The auditors M/s R.Bhatia & Co., who retire, offer themselves for re-appointment.

#### **ACKNOWLEDGEMENT**

The Directors place on record their appreciation for the loyal and devoted services rendered by all categories of employees.

On behalf of the Board

Place : Delhi  
Dated : 25th July, 1998

R. P. JAIN  
CHAIRMAN