

***7th***  
***Annual Report***  
***1999-2000***



## **BOARD OF DIRECTORS**

R.P. Jain, *Chairman*

Mohit Jain, *Vice Chairman & Managing Director*

L.C. Kapoor

S.C. Nanda

Pradeep Dinodia

Mohit Satyanand

## **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.



## NOTICE

Notice is hereby given that the 7th Annual General Meeting of the Members of **DFM FOODS LIMITED** will be held on Thursday, the 27th day of July, 2000 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, 2000, 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. Pradeep Dinodia, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. R.P. 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 an **Ordinary Resolution**:-

“RESOLVED that Mr. Mohit Satyanand be and is hereby appointed as a Director of the Company, liable to retire by rotation”.

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

“RESOLVED pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 that the following alteration/insertion be made in the Articles of Association of the Company :-

- a) The Article 30 be substituted with the following :-

“The instrument of transfer shall be presented to the Company together with such evidence as the directors may require to prove the title of the Transferor, and generally under and subject to such conditions and regulations as the Directors shall from time to time prescribe; and every registered instrument of transfer shall remain in the custody of the Company, until destroyed by order of the Board.”

- b) The following new Article 105 A alongwith marginal note thereof be inserted after Article 105 :-

**Provision the Managing Director will be subject to**

“Subject to the provisions of the Act, the Managing Director/s appointed under Article 105 shall not, while he continues to hold that office, be subject to retirement by rotation.”

- 7 To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:-

“RESOLVED that pursuant to Section 198,269,309,310,311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the payment of revised remuneration to Mr. Mohit Jain, Managing Director of the Company, w.e.f. 1st April, 2000 for the remaining tenure of his appointment as set out in the draft supplemental agreement placed before the meeting and for the purpose of identification initialled by the Chairman of the meeting. The said supplemental agreement is hereby



specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said agreement in such manner as may be agreed to between Mr. Mohit Jain and the Board of Directors of the Company.

RESOLVED FURTHER that in accordance with the provisions of Section 198(4) read with Schedule XIII and the notifications issued under that Schedule of the Companies Act, 1956, the remuneration and perquisites as set out in the draft supplemental agreement may be paid as the minimum remuneration to Mr. Mohit Jain, Managing Director in the absence or inadequacy of profits in any financial year."

By order of the Board  
for DFM FOODS LIMITED

PLACE : DELHI  
DATED : 9th May, 2000

(N.K. 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, 6 and 7 set out above are annexed hereto.
3. The Register of Members and Share Transfer books of the Company will remain closed from 17th July, 2000 to 27th July, 2000 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, alongwith Pin Code Numbers for updating the records.
6. Shareholders are requested to check up and send their claims in respect of unclaimed dividend, if any, for the relevant years from 1995-96 onwards before the respective amounts become due for transfer to the "Investor Education and Protection Fund."
7. The details of the Stock Exchanges, on which the securities of the Company are listed, are given separately in this annual report.

#### ANNEXURE TO THE NOTICE

##### EXPLANATORY STATEMENT

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

##### ITEM NO. 5

Mr. Mohit Satyanand was appointed as an additional Director of the Company on 29th January, 2000. Pursuant to Section 260 of the Companies Act, 1956, he will hold office upto the date of the ensuing Annual General Meeting.



The company has received a notice in writing from a member alongwith a deposit of Rs. 500/- proposing the candidature of Mr. Mohit Satyanand for the office of director under the provisions of Section 257 of the Companies Act, 1956.

Mr. Satyanand is a Management consultant with an Economics background. He has rich experience in the sales and marketing of consumer goods and an extensive knowledge of the snack foods market in particular.

Mr. Satyanand started his career with Hindustan Lever and then joined our parent company The Delhi Flour Mills Co. Ltd. where he was instrumental in establishing Flavour Foods - our present snack foods business.

So, it will be in the best interest of the company to appoint him as a Director.

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

None of the Directors is concerned or interested in the resolution.

#### **ITEM NO. 6**

The present Article 30 provides to maintain the registered transfer instrument permanently. But neither the Companies Act nor the Listing Agreement prescribes as such. Further it has been felt that permanent maintenance of such instrument will be voluminous.

So it would be desirable to authorise the Board of Directors to decide at their liberty the time period for which the instruments shall be maintained by the Company.

Accordingly, necessary alteration is being proposed in the resolution.

Further, a new Article 105 A is being proposed with regard to making the Managing Director non-rotational as whenever the Managing Director is appointed/reappointed, the time period of his appointment is specified. So it is desirable that he should not retire from his directorship during the continuance of his service contract with the Company.

Keeping in view the above, insertion of the new Article 105 A is being proposed in the resolution as the present Articles of Association does not contain such a provision.

So, in accordance with the provisions of Section 31 of the Companies Act, 1956, the approval of the members is now being sought by way of a Special Resolution to the proposed alteration/insertion in the Articles of Association of the Company.

Besides Mr. Mohit Jain, Managing Director, Mr. R.P. Jain, Chairman being father of Mr. Mohit Jain is concerned or interested in this resolution to the extent of proposed insertion of new Article to make the Managing Director non-rotational.

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

#### **ITEM NO. 7**

At first Mr. Mohit Jain was appointed as the Managing Director w.e.f. 28th February, 1994 without any remuneration. Then, upon amendment in Schedule XIII to the Companies Act in September, 1996, it was decided to remunerate him w.e.f. 1st April, 1997.

Thereafter, he was reappointed as the Managing Director for a period of 5 years w.e.f. 28th February, 1999 with the remuneration which had been at the same level since 1st April, 1997.

As per a notification dated 6th March, 2000, the Govt. has amended Schedule XIII increasing the ceiling limit of minimum remuneration which can be paid to managerial personnel depending upon the effective capital of the company.

Keeping in view the amended provisions of Schedule XIII, the increase in the cost of living and the trends in remuneration packages for managerial personnel, the Board of Directors in their meeting held on 9th May, 2000

have unanimously decided to revise the remuneration of Mr. Mohit Jain, Managing Director w.e.f. 1st April, 2000 for the remaining tenure of his appointment as follows :-

#### **I. REMUNERATION**

1. Salary : Rs. 50,000 per month.
2. Commission : 3 % (Three percent) of the net profits of the company computed in the manner laid down in Section 309 (5) of the Companies Act, 1956, after the profits of the company are ascertained in each year.
3. Perquisites :

##### **Category A**

- a) Payment of expenditure incurred on gas, electricity, water, furnishing and servants at residence and office of the Managing Director.
- b) Reimbursement of medical expenses actually incurred in India or abroad (inclusive of air fare, boarding / lodging for the patient and the attendant) for self and family.
- c) Furniture allowance as per rules of the Company.
- d) Leave travel allowance for self and family as per rules of the Company.
- e) Subscription fees of clubs subject to a maximum of two clubs excluding admission and life membership fees.
- f) Personal Accident Insurance as per rules of the Company.
- g) Helper allowance as per rules of the Company.

##### **Category B**

- a) Company's contribution towards Provident Fund as per rules of the company.
- b) Gratuity as per rules of the company.
- c) Company's contribution towards superannuation fund or annuity fund as per rules of the company.

##### **Category C**

- a) Free use of car and driver, both for official and personal purposes.
- b) Free telephone facility at residence. However long distance personal calls to be billed by the Company.
- c) Encashment of earned/privilege leave on full pay and allowance as per rules of the company at the end of tenure.
- d) Reimbursement of entertainment and all other expenses incurred for the purpose of the company's business.
- e) The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

##### **Minimum remuneration**

The Managing Director shall be paid the aforesaid remuneration and perquisites as minimum remuneration even in the event of absence or inadequacy of profits in any year during his tenure, subject however to the compliance of schedule XIII of the Companies Act, 1956 in this regard.

The total remuneration drawn from the company including perquisites shall not exceed in aggregate 5 % of the net profits of the company computed in the manner laid down in Section 309(5) of the Companies Act, 1956. For the purposes of this computation, the perquisites shall be valued on the basis laid down under the rules framed under the Income Tax Act.



Further, the remuneration drawn by Mr. Mohit Jain from the Company and from The Delhi Flour Mills Co. Ltd., of which he is the Jt. Managing Director, put together shall not exceed the higher of the maximum limit admissible from any one of the companies.

II. In the event of termination of the appointment of the Managing Director by the Company he shall be entitled to receive compensation in accordance with the provisions of Section 318 of the Companies Act, 1956.

In compliance with the provision of Section 198, 269, 309, 310, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the payment of revised remuneration to the Managing Director as set out above is now being placed before the members for their approval.

The draft supplemental agreement based on the terms with respect to revised remuneration as approved by the Board, between the Company and Mr. Mohit Jain is available for inspection by the members of the Company at its Registered office between 11.00 A.M. to 1.00 P.M. on any working day of the Company.

Besides Mr. Mohit Jain, Mr. R.P. Jain, Chairman being father of Mr. Mohit Jain is concerned or interested in this resolution.

The contents of Item No. 7 of the notice and the relevant Explanatory Statement may be treated as an abstract of terms and the Memorandum of concern or interest under section 302 of the Companies Act, 1956.

By order of the Board  
for DFM FOODS LIMITED

PLACE : DELHI  
DATED : 9th May, 2000

(N.K. ARORA)  
SECRETARY

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

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## **SHAREHOLDER INFORMATION**

### **Stock Exchanges on which the Company's Securities are listed**

The Company's Securities are listed at the following 4 Stock Exchanges in India:-

1. The Delhi Stock Exchange  
Association Limited,  
(Regional Stock Exchange)  
DSL House,  
3/1, Asaf Ali Road  
New Delhi-110 002.
2. The Stock Exchange Mumbai  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400 001.
3. The Stock Exchange, Ahmedabad,  
Kamdhenu Complex,  
Opp. Sahajanand College,  
Panjarapole,  
Ahmedabad - 380 015.
4. The Calcutta Stock Exchange  
Association Limited,  
7, Lyons Range,  
Calcutta - 700 001.

**Note:** The Company has paid annual listing fees to each of the above Stock Exchanges for the financial year 2000-01.