

***8th
Annual Report
2000-2001***

Report  junction.com





BOARD OF DIRECTORS

R.P. Jain, *Chairman*

Mohit Jain, *Vice Chairman & Managing Director*

S.C. Nanda

Pradeep Dinodia

Mohit Satyanand

B.D. Sharma

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 & TRANSER AGENT

ABC Computers Pvt. Ltd.

Shri Venkatesh Bhawan (Basement)

212-A, Shahpur Jat,

New Delhi - 110 049.



NOTICE

Notice is hereby given that the 8th Annual General Meeting of the Members of **DFM FOODS LIMITED** will be held on Thursday, the 26th day of July, 2001 at 10.00 A.M. at Air Force Auditorium, Subroto Park, New Delhi-110010 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet as at 31st March, 2001, 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. S.C. Nanda, who retires by rotation and being eligible, offers himself for reappointment.
 3. To appoint a Director in place of Mr. R.P. Jain, who retires by rotation and being eligible, offers himself for reappointment.
 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 reappointment.

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. Brahm Dev Sharma 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 definition of 'Member' appearing in Article 2 of the Articles of Association of the Company be substituted by the following:-
 'Member' in respect of dematerialised shares means the beneficial owner thereof, i.e. the person or persons whose name is recorded as a beneficial owner in the Register maintained by a Depository under the Depositories Act, 1996 and in respect of other shares the person or persons whose name is duly registered as a holder of a share in the Company from time to time.
 b) The following new Article 20 A alongwith marginal note thereof be inserted after Article 20 :-

Nomination of shares

Notwithstanding anything contained in these Articles or the Act, every holder of shares in, or holder of Debentures of the Company may, at any time, nominate, in the prescribed manner, in pursuance of the provisions of Section 109 A of the Act, a person to whom his shares in, or Debentures of, the Company shall vest in the event of his death and where the shares in or Debenture of, the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the Rights in the Shares in or Debentures of the Company shall vest in the event of death of all the joint holders.



- c) The following new heading and Articles 21A to 21I alongwith marginal notes thereof be inserted after Article 21 :-

Dematerialisation of Securities

21A. Definitions

For the purpose of this Article:

'Beneficial owner' means a person or persons whose name(s) is/are recorded in the Register maintained by a Depository under the Depositories Act, 1996.

'SEBI' means the Securities and Exchange Board of India.

'Depository' means a Company formed and registered under the Act and which has been granted a certificate of registration by SEBI under the Securities & Exchange Board of India Act, 1992.

'Security' means such security as may be specified by SEBI from time to time.

21B. Dematerialisation of Securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the provisions of the Depositories Act, 1996 or otherwise.

21C. Issue of Securities and option for investors

Notwithstanding anything contained in these Articles, every issue of security by the Company shall be in the dematerialised form and the Company shall intimate the details of allotment to the depository immediately on allotment of such securities.

Investors in a new issue and the beneficial owners shall have the option to rematerialise the shares subsequent to the allotment or dematerialisation as the case may be, in which event the Company shall issue to the investor/beneficiary the required certificates of securities subject to the provisions of applicable laws, rules, regulations or guidelines. The shares so rematerialised shall bear new distinctive numbers so as to identify them from the shares not dematerialised.

21D. Securities in Depositories to be in fungible form

All securities held by a Depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187C and 372A of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

21E. Rights of Depositories

- i) Notwithstanding anything to the contrary contained in the Companies Act, 1956 or these Articles, a Depository shall be deemed to be the registered owner for the purpose of ownership of securities on behalf of the beneficial owners.
- ii) Save as otherwise provided in (i) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of securities shall alone be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a Depository.

21F. Service of Documents

Notwithstanding anything contained in the Act, or these Articles to the contrary, where securities are held in a Depository the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.



21G. Transfer of Securities

Nothing contained in Section 108 of the Act, or these Articles shall apply to a transfer of securities effected by a transferor and transferee, when both of whom are entered as Beneficial Owners in the records of a Depository.

21H. Distinctive numbers of Securities held in a Depository

Nothing contained in the Act, or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

21I. Register and Index of Beneficial Owners

The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles and the Act."

By order of the Board
For DFM FOODS LIMITED

DELHI

DATED : 30th April, 2001

(N.K. ARORA)
SECRETARY

Registered Office :

8377, Roshanara Road, Delhi-110 007.

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 and 6 set out above are annexed hereto.
3. The Register of Members and Share Transfer books of the Company will remain closed from 16th July, 2001 to 26th July, 2001 both days inclusive.
4. Members/Proxies should bring the Attendance slip duly filled in for attending the meeting.
5. ABC Computers Pvt. Ltd., Registrar & Transfer Agent of the Company, has shifted its office to Shri Venkatesh Bhawan (Basement), 212-A, Shahpur Jat, New Delhi - 110049 (Phones: 6499903/06).
Members are requested to intimate the Registrar & 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. Brahm Dev Sharma was appointed as an additional Director of the Company on 30th January, 2001. 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. Brahm Dev Sharma for the office of director under the provisions of Section 257 of the Companies Act, 1956.

Mr. Sharma has been involved in the flour milling industry since 1958. He is the President (Flour Milling) of our parent Company The Delhi Flour Mills Co. Ltd. and has an extensive knowledge of the flour milling industry.

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

With the introduction of the Depositories Act, 1996 and the depository system, certain provisions of the Companies Act, 1956 relating to issue, holding, transfer and transmission of shares and other securities have been amended to facilitate the implementation of the new system. The Depository System is a safe and convenient method of holding and trading in the securities of the company in an electronic form. This system envisages elimination of paper work involved in the scrip based system.

Further, the Companies Act, 1956 as amended by the Companies (Amendment) Act, 1999 has provided every holder of shares or other securities with an option to nominate a person to whom all the rights in the shares or other securities of the Company shall vest in the event of his/ her death.

As such, it is proposed to amend the Articles of Association of the Company suitably incorporating therein necessary provisions relating to the implementation of the Depository System and for providing nomination facility to the holders of the securities of the Company.

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.

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

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

By order of the Board
For DFM FOODS LIMITED

DELHI
DATED : 30th April, 2001

(N.K. ARORA)
SECRETARY

Registered Office:
8377, Roshanara Road, Delhi-110 007.



SHAREHOLDER INFORMATION

I. 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)
DSE 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 2001-02.

II. Composition of the Audit Committee

Pursuant to the provisions of Section 292A inserted by the Companies (Amendment) Act, 2000, an Audit Committee has been constituted by the Board of Directors in their meeting held on 30th January, 2001 with the following members :-

1. Mr. Pradeep Dinodia, Chairman
2. Mr. Mohit Satyanand ; and
3. Mr. S.C. Nanda



DIRECTORS' REPORT

Your Directors have pleasure in presenting their report alongwith the audited accounts of the Company for the year ended 31st March, 2001.

FINANCIAL RESULTS

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

(Rs. In lacs)

	Year ended 31.3.2001	Year ended 31.3.2000
Total Turnover	7438.30	7584.10
Profit before interest and depreciation	131.14	144.80
Interest	61.95	68.79
Profit before depreciation	69.19	76.61
Depreciation	43.71	42.29
Profit before Tax	25.48	34.32
Provision for Tax including earlier years	2.29	6.39
Net profit for the year	23.19	27.93
Surplus brought forward	85.79	57.86
Available for appropriation	108.98	85.79
Appropriations		
Balance Carried forward	108.98	85.79

DIVIDEND

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

REVIEW OF BUSINESS

Flour Milling

During the year under review, the Government eliminated the subsidy entitlement on food grains for 'Above the Poverty line' population of the country and opened up the business of wheat storage for the private sector by adjusting its pricing policy on sales. However, a bumper harvest resulted in record procurement and a huge build up of stocks of both wheat and rice with the Food Corporation of India.

The stagnation/ declining trend in aggregate demand resulted in increased competition within the Industry and depressed margins further.

Your Directors continued to follow policies to strengthen the market position of the business.

Snack Foods

During the year, marketing inputs were successfully deployed to increase sales for both extruded snacks and namkeens. Rationalisation of operations continued in all areas and the financial results were satisfactory.