

*16th*  
*Annual Report*  
*2008-2009*

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## **BOARD OF DIRECTORS**

R.P. Jain, *Chairman*

Mohit Jain, *Vice Chairman & Managing Director*

Rohan Jain, *Executive Director*

S.C. Nanda

Pradeep Dinodia

Mohit Satyanand

## **AUDITORS**

A.K. Gangaher & Co.

## **BANKER**

HDFC Bank Limited

## **REGISTERED OFFICE**

8377, Roshanara Road,  
Delhi - 110 007

## **FACTORY**

### **Flavour Foods Division**

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

## **REGISTRARS & TRANSFER AGENT**

MCS Ltd.

F-65, 1<sup>st</sup> Floor

Okhla Industrial Area, Phase-I,  
New Delhi - 110 020



## NOTICE

Notice is hereby given that the 16<sup>th</sup> Annual General Meeting of the Members of **DFM FOODS LIMITED** will be held on Thursday, the 30<sup>th</sup> day of July, 2009 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 31<sup>st</sup> March, 2009, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Pradeep Dinodia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Mohit Satyanand, who retires by rotation and being eligible, offers himself for re-appointment.
5. 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. A.K. Gangahar & Co., Chartered Accountants, the retiring Auditors being eligible, offers themselves for reappointment.

### SPECIAL BUSINESS

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

“RESOLVED that pursuant to Section 269, 198, 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 reappointment of Mr. Mohit Jain as Managing Director of the Company, who has been reappointed by the Board of Directors for a further period of five years w.e.f. 28<sup>th</sup> February, 2009 on the terms and conditions as set out in the draft agreement placed before the meeting and for the purpose of identification initialed by the Chairman of the meeting, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said reappointment and/ or 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 agreement may be paid as the minimum remuneration to Mr. Mohit Jain, Managing Director for a period of 3 years from the date of his reappointment in the absence or inadequacy of profits in any financial year.”

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

“RESOLVED that Mr. Rohan Jain be and is hereby appointed as a Director of the Company.”

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

“RESOLVED that pursuant to Section 269, 198, 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 appointment of Mr. Rohan Jain as a whole-time director, designated as Executive Director, of the Company, for a period of five years w.e.f. 1<sup>st</sup> June, 2009 on the terms and conditions as set out in the draft agreement placed before the meeting and for the purpose of identification initialed by the Chairman of the meeting, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/ or agreement in such manner as may be agreed to between Mr. Rohan 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 agreement may be paid as the minimum remuneration to Mr. Rohan Jain, Executive Director for a period of 3 years from the date of his appointment in the absence or inadequacy of profits in any financial year.”

9. 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 11<sup>th</sup> Annual General Meeting of the members held on 29<sup>th</sup> July, 2004 that consent of the members of the Company be and is hereby accorded for keeping the Electronic & Physical 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 Registrar and Share Transfer Agent of the Company M/s. MCS Ltd., presently situated at F-65, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 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.”

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

“RESOLVED that pursuant to the provisions of section 372A and any other applicable provisions, if any, of the Companies Act, 1956, or of any other law for the time being in force, the Board of Directors of the Company be and is hereby authorized to make investments in excess of 60% of the paid up share capital and free reserves of the Company or 100% of the free reserves of the Company whichever is more prescribed under section 372A in the shares of other bodies corporate as they may, in their absolute discretion deem beneficial and in the interest of the Company, up to the aggregate amount of Rs. 50 crores.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed expedient and necessary to give effect to this resolution.”

By order of the Board  
For DFM FOODS LIMITED

DELHI

DATED: 23<sup>rd</sup> May, 2009

(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 nos. 6,7,8,9 and 10 set out above are annexed hereto.
3. The Register of Members and Share Transfer books of the Company will remain closed from 16<sup>th</sup> July, 2009 to 30<sup>th</sup> July, 2009 both days inclusive.
4. Members/ Proxies should bring the Attendance slip duly filled in for attending the meeting.
5. Members are requested to intimate MCS Ltd., F-65, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi-110020, Registrar and Transfer Agent of the Company, change of address, if any, along with Pin Code Numbers for updating the records.
6. The dividend, when sanctioned, will be paid on or after 30<sup>th</sup> July, 2009 to those shareholders, whose names will appear in the Register of Members of the Company on that date.



7. Shareholders are advised that those who have not encashed their dividend warrant(s) so far for the financial year ended 31<sup>st</sup> March, 2005 or any subsequent dividend payment(s) may send their outdated dividend warrants for revalidation/ issue of demand draft in lieu thereof.
8. The ECS facility is available at specified locations. Members holding shares in dematerialized mode are requested to contact their respective Depository Participants (DPs) for availing ECS facility. Members holding shares in physical form and desirous of availing ECS facility are requested to write to the Company for details.
9. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, ECS, mandate, nomination, power of attorney, change of address, change in name etc. to their DPs. These changes will be automatically reflected in Company's record, which will help the Company to provide efficient and better service to the members.
10. The securities of the Company are listed on Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.

Further, the annual listing fee has been paid to the Bombay Stock Exchange Ltd. for the financial year 2009-10. Based on the approval accorded by the shareholders, the Company has already applied for delisting from The Calcutta Stock Exchange Association Ltd., Kolkata since 19<sup>th</sup> August, 2004. The application of the Company is still pending for consideration with the said Stock Exchange. As such, the Company has not paid the Annual listing fee from 2005-06.

#### 11. Reappointment of Directors

At the ensuing Annual General Meeting, Mr. Pradeep Dinodia and Mr. Mohit Satyanand retire by rotation and being eligible offer themselves for reappointment. The information or details pertaining to these Directors to be provided in terms of clause 49 of the Listing Agreement with the Stock Exchange are furnished in the Report on Corporate Governance published in this Annual Report.

The Directors seeking reappointment have furnished the declaration under the Companies (Disqualification of Directors under Section 274(1) (g) of the Companies Act, 1956) Rules, 2003.

#### Disclosure of relationship between directors:

Mr. Pradeep Dinodia and Mr. Mohit Satyanand, whose reappointment are being considered, are neither related inter-se nor to any other Director of the Company.

### ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT

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

#### ITEM NO. 6

Mr. Mohit Jain was last appointed as Managing Director for a period of 5 years with the approval of the Shareholders of the Company which term expired on 27<sup>th</sup> February, 2009.

The Board of Directors in their meeting held on 30<sup>th</sup> January, 2009 has reappointed Mr. Mohit Jain, who is also the Jt. Managing Director of The Delhi Flour Mills Co. Ltd. as the Managing Director of the Company for a further period of 5 years w.e.f. 28<sup>th</sup> February, 2009 on the terms and conditions set out below:

#### I. REMUNERATION

1. Salary : Rs. 1,00,000 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 for a period of 3 years from the date of his reappointment 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 provisions 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 remuneration to the Managing Director as set out above is now being placed before the members for their approval.

The draft agreement based on the terms 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 and Mr. Rohan Jain, Executive Director being father and son of Mr. Mohit Jain are concerned or interested in this resolution.

The contents of Item no. 6 of the notice and the relevant Explanatory Statement may be treated as abstract of terms and conditions of the reappointment of the Managing Director and the Memorandum of concern or interest under Section 302 of the Companies Act, 1956. Further a statement containing the informations required to be given to the shareholders of the Company in this regard under Part II Section II paragraph I(B) of Schedule XIII to the Companies Act, 1956 is annexed hereto.

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

In order to strengthen the Board, Mr. Rohan Jain was appointed as an Additional Director of the Company on 23<sup>rd</sup> May, 2009. 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. Rohan Jain for the office of director under the provisions of Section 257 of the Companies Act, 1956.

Further, the profile and suitability of Mr. Rohan Jain has been mentioned in the statement containing the information required to be given to the shareholders of the Company under Part II Section II paragraph 1(B) of Schedule XIII to the Companies Act, 1956 annexed hereto under item no.8.

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

Besides Mr. Rohan Jain, Mr. R.P.Jain, Chairman and Mr. Mohit Jain, Managing Director being grand father and father of Mr. Rohan Jain respectively are concerned or interested in this resolution.

#### **ITEM NO. 8**

Mr. Rohan Jain was co-opted as a director on the Board of the Company w.e.f. 23<sup>rd</sup> May, 2009. Further, the Board has appointed him as a Whole Time Director designated as Executive Director of the Company for a period of 5 years w.e.f. 1<sup>st</sup> June, 2009 in their meeting held on 23<sup>rd</sup> May, 2009 on the terms and conditions set out below:-

##### **I. REMUNERATION**

1. Salary : Rs. 1,70,000 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 Executive 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 Executive Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

##### **Minimum remuneration**

The Executive Director shall be paid the aforesaid remuneration and perquisites for a period of 3 years from the date of his appointment 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.

II In the event of termination of the appointment of the Executive 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 provisions 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 remuneration to the Executive Director as set out above is now being placed before the members for their approval.

The draft agreement based on the terms approved by the Board, between the Company and Mr. Rohan 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. Rohan Jain, Mr. R. P. Jain, Chairman and Mr. Mohit Jain, Managing Director being grandfather and father of Mr. Rohan Jain are concerned or interested in this resolution.

The contents of Item no. 8 of the notice and the relevant Explanatory Statement may be treated as abstract of terms and conditions of the appointment of the Executive Director and the Memorandum of concern or interest under Section 302 of the Companies Act, 1956. Further a statement containing the informations required to be given to the shareholders of the Company in this regard under Part II Section II paragraph 1(B) of Schedule XIII to the Companies Act, 1956 is annexed hereto.

#### ITEM NO. 9

In accordance with the Special Resolution passed by the members of the Company U/S 163 of the Companies Act, 1956 at their 11<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> July, 2004, the Electronic & Physical Registers and the indexes of members, 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. MCS Ltd.

Now, the Registrars and Share Transfer Agent has shifted its office to F-65, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase - I, New Delhi - 110020 w.e.f. 30<sup>th</sup> March, 2009. As such, it would be desirable to keep the aforesaid documents at their new office.

According to the provisions of Section 163 of the Companies Act, 1956, consent of the shareholders is required by way of Special Resolution for keeping the same at any other place other than the registered office, but within the city in which the registered office is situated.

Accordingly, the consent of the members is sought by way of a Special Resolution.

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

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

#### ITEM NO. 10

In order that the Directors may make suitable investments in shares as and when necessary, exceeding 60 percent of the paid-up capital and free reserves of the Company or 100 percent of the free reserves of the Company whichever is more, the Directors seek your accord to the proposed resolution to enable them to invest the funds of the Company in the shares of any body or bodies corporate in excess of the aforesaid limits.

According to the provisions of Section 372A of the Companies Act, 1956, consent of the shareholders is required by way of Special Resolution for investment in shares in excess of the aforesaid percentage.

Accordingly, the consent of the members is sought by way of a Special Resolution.

The Board of Directors recommends the resolution for approval of members in the interest of the Company.

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

By order of the Board  
For DFM FOODS LIMITED

DELHI  
DATED: 23<sup>rd</sup> May, 2009

(N.K. ARORA)  
SECRETARY

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





## ANNEXURE TO THE EXPLANATORY STATEMENT

[Refer Item No 6 and 8]

Statement required under Part II Section II paragraph 1(B) of Schedule XIII to the Companies Act, 1956 for Item No. 6 and 8 of the Notice of A.G.M.

### I. General Information

1. Nature of industry : Manufacturing
2. Date or expected date of commencement of commercial production : Since 1994
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. : N.A.
4. Financial performance (Rs. in lacs)

	(Year ended)		
	31/03/06	31/03/07	31/03/08
Sales	2697.35	4138.82	4985.51
Profit before Interest & depreciation	156.83	248.07	376.70
Interest	65.91	93.97	203.21
Depreciation	36.98	34.92	33.89
Profit before Tax	53.94	119.18	139.60
Profit after Tax	29.65	52.78	77.75
Equity Capital	997.17	997.17	997.17
Reserve & Surplus	300.56	295.01	314.43

5. Export performance and net foreign exchange collaborations : NIL
6. Foreign investments or collaborations, if any : NIL

### II. Information about the appointee

#### A) Mr. Mohit Jain

##### Background details, job profile and his suitability

Mr. Mohit Jain has been the Managing Director of the Company since 28<sup>th</sup> February, 1994.

Mr. Mohit Jain joined our promoter company The Delhi Flour Mills Co. Ltd. after completing his B.A. in Economics Honours from St. Stephens College, Delhi University. He has been involved in the flour milling business since then. He was instrumental in establishing our present snack food business for the promoter company in 1984. He has acquired intimate knowledge of the industry and currently manages the day to day operations of the Company.

##### Past remuneration

Salary : Rs.50,000/- per month  
 Perquisites : Same as mentioned in the Item no. 6 of the Explanatory statement attached to the notice of A.G.M.

##### Remuneration proposed

Salary : Rs.1,00,000/- per month  
 Perquisites : Same as previous

##### Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person

There is no other Company manufacturing extruded snacks and namkeen which corresponds with the size of your Company. As such no comparison is possible.

##### Pecuniary relationship with the Company and relationship with the managerial personnel

- Shareholding in the Company is 39,500 shares i.e. 0.40% of the paid up capital.
- Mr. Mohit Jain is son of Mr. R. P. Jain, Chairman and father of Mr. Rohan Jain, Executive Director of the Company.



## B) Mr. Rohan Jain

### Background details, job profile and his suitability

Mr. Rohan Jain has been co-opted as a director on the Board of the Company w.e.f. 23<sup>rd</sup> May, 2009. Further, the Board has appointed him as a Whole Time Director of the Company w.e.f. 1<sup>st</sup> June, 2009 in their meeting held on 23<sup>rd</sup> May, 2009.

Mr. Rohan Jain has graduated with B.Sc. in Economics with concentration in Finance from the renowned Wharton School, University of Pennsylvania, U.S.A. in May, 2005. After completing his study, he had joined our promoter company The Delhi Flour Mills Co. Ltd. as Executive Asstt. to the Jt. Managing Director to assist him in the management of overall affairs of the Company. Further he has been providing his assistance in managing the sales and marketing affairs of the snack food business of the Company since 2005 on an honorary basis. He has developed the necessary experience and expertise in this area and has played a major role in the growth and development of this business.

### Past remuneration

Salary : N.A.  
Perquisites : N.A.

### Remuneration proposed

Salary : Rs.1,70,000/- per month  
Perquisites : Same as mentioned in the item no. 8 of the Explanatory statement attached to the notice of A.G.M.

### Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person

There is no other Company manufacturing extruded snacks and namkeen which corresponds with the size of your Company. As such no comparison is possible.

### Pecuniary relationship with the Company and relationship with the managerial personnel

- Shareholding in the Company is 19, 200 shares i.e. 0.19% of the paid up capital.
- Mr. Rohan Jain is grandson of Mr. R. P. Jain, Chairman and son of Mr. Mohit Jain, Managing Director of the Company.

## III. Other information

### Reason of loss / inadequate profits

In the snack foods business, the process of establishing the brands of the Company has been a long process in an industry which consists mainly of unorganised players. Further several factors like higher incidence of tax, marketing expenditure to promote sales and substantial increase in the prices of raw materials have affected the business.

As far as wheat storage business is concerned, uncertain conditions of the wheat market caused by higher agricultural output, global meltdown in commodity prices and the Government action have affected it adversely.

### Steps taken / proposed to be taken for improvement

As far as the snack foods business is concerned, steps to expand the sales of existing products, introduction of new products, upgradation of production processes, strengthen the distribution system and stepping up marketing activity are being taken.

In light of the uncertain conditions in the wheat market, it has been decided not to undertake the wheat storage business till the market conditions improve.

### Expected increase in productivity and profits in measurable terms

The expansion of sales, upgradation of manufacturing technology, reduction in manufacturing costs coupled with a strong distribution system and marketing is likely to lead to higher growth and improved results.

## IV. Disclosures

The details of the remuneration package for Mr. Mohit Jain and Mr. Rohan Jain are as mentioned in the Item no.6 and 8 of the Explanatory Statement annexed to the notice of A.G.M.