







DFM Foods Ltd. is a pioneer in the Indian packaged snack foods business.

Our business was established in 1983 and CRAX was the first successful packaged snack food in India. Today, our products are marketed under two brand names, 'CRAX' and 'NATKHAT'.

Our product portfolio consists of:

- **CRAX CORN RINGS**, a corn-based, non-fried snack that is available in three unique flavours- Chatpata, Tangy Tomato and Masala Mania
- **CRAX NAMKEEN**, a range of ethnic snacks covering bhujiyas, dals, mixtures and nut mixes
- **NATKHAT**, non-fried, crunchy puffs made of wheat semolina and bran

Our processing facility is located at Ghaziabad (U.P.). The facility deploys state-of-the-art manufacturing equipment from across the globe to ensure consistency and quality of all its products.



**CRAX**  
CORN RINGS



CRAX Corn Rings is a unique corn based, non-fried snack available in three unique flavours – Chatpata, Tangy Tomato and Masala Mania. This pioneering product comes in two affordable packs, which retail at ₹ 5 and ₹ 10 respectively. With a special appeal to the young, CRAX Corn Rings have been an enduring success story.

**CRAX**  
NAMKEEN



Our business group has over one century's experience in procuring and processing food raw materials, CRAX Namkeens are made from the finest ingredients, delivering high-quality traditional snacks across a wide range of flavour, mixtures and pack sizes. The CRAX Namkeen range offers Aloo Bhujia, Navratan, Moong Dal, Matar Heeng Zeera, Khatta Meetha, Lacha Mixture, Corn Flakes, Mast Moongphali and Salted Peanuts. Our smaller packs retail at ₹ 2 and ₹ 5; intermediate packs are priced at ₹ 10 and ₹ 15; and packs for household consumption have a net weight of 300 grams.

**natkhat**



Natkhat, is a light-weight, crunchy wheat puff with a low fat percentage. Priced at ₹ 2, it extends our franchise to younger age groups and a wider market.

Dear Shareholders,

2010-11 has been a watershed year for your company in more ways than one:

- Turnover crossed Rs. 100 crore
- Profits hit record levels
- Manufacturing capacity was fully utilized
- The establishment of a new manufacturing facility was taken up
- Preparations began to enter markets in new regions of the country
- Market capitalization more than doubled and also crossed Rs. 100 Crores



During the last 5 years the Company's business has undergone a sea change in terms of its performance:-

	2005-06	2010-11	Compounded Annual Growth Rate (%)
Volume (in Metric Tons)	2178	6590	25
Sale Value	18.45	119.84	45
Net Profit	0.30	8.32	94
Dividends	0.50	2.00	32
Market Capitalization	10.76	108.52	59
Capital employed	17.13	41.09	19

NOTE: All above figures are in Rs. crores except of Volume

These achievements are the result of initiatives, both strategic and operational, continuously undertaken over the last 5 years:-

- Focussed exclusively on the snack foods business
- Made brand-building the cornerstone of our operations
- Ensured that it was rewarding for all stakeholders to associate with us
- Standardized management systems and built organizational capacity to manage and sustain the growth
- Invested in top-of-the-line manufacturing systems to ensure quality and its consistency
- Used automation and the latest technology available in all areas of operations

This has served the business well, and the results are before us to savour.

We now have to work to prepare the organization for the future.

This involves institutionalizing management, thus developing the capacity to handle substantially larger business volumes, resulting from multiple brands and product lines, distribution across more zones, and manufacturing facilities in more locations.

I am confident that our endeavour to expand the product portfolio, markets and customer base will meet with even greater success in the years to come.

I am grateful to the Board of Directors for their unstinted support and guidance. I also thank all the stakeholders for their association with and trust in the organization.

With best wishes,

Sincerely,

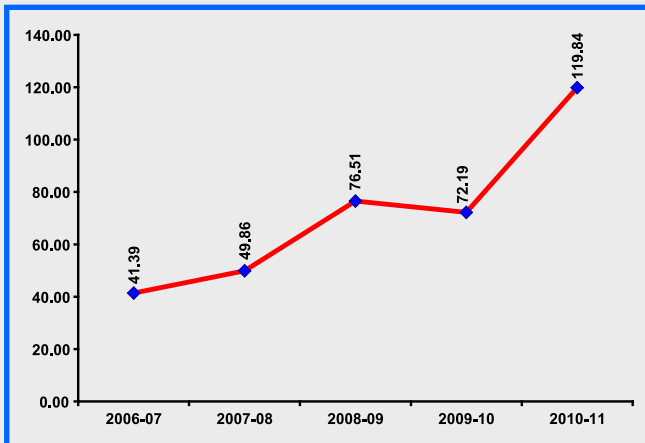


**Mohit Jain**  
**Vice Chairman & Managing Director**

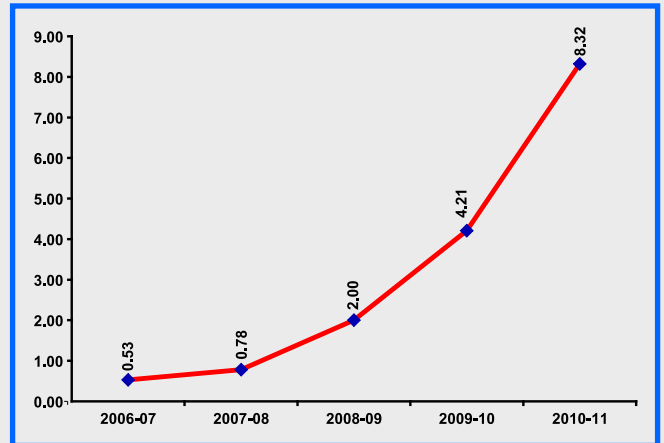
May 21, 2011

# 5 Years Trend

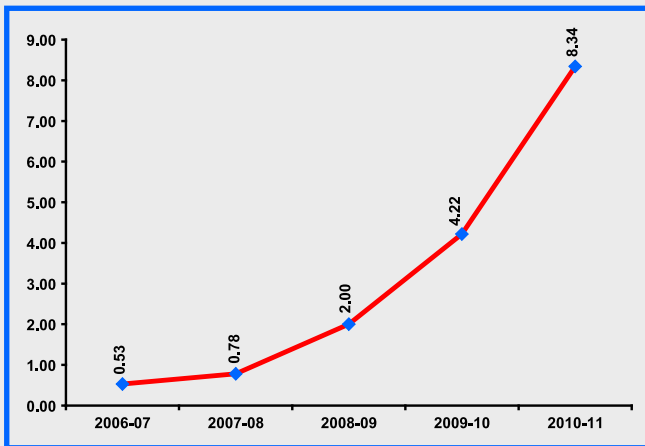
### Turnover (Rs. crore)



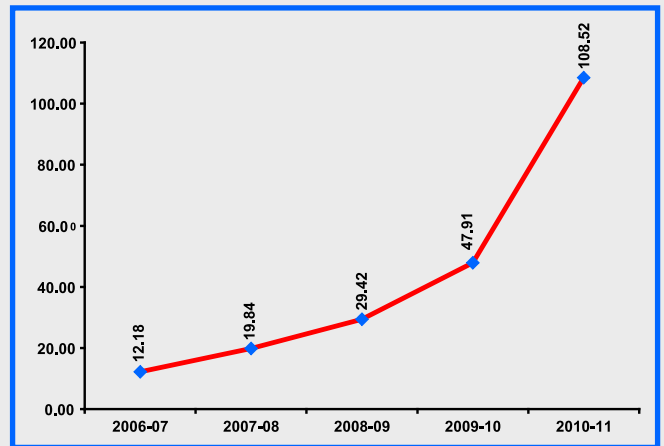
### Profit After Tax (Rs. crore)



### Earnings Per Share (Rs.)



### Market Capitalisation (Rs. crore)



## CONTENTS

1.	Corporate Information.....	3
2.	Notice of Meeting .....	4
3.	Management Discussion & Analysis .....	6
4.	Directors' Report and Annexures .....	8
5.	Corporate Governance Report.....	14
6.	Auditors' Report .....	28
7.	Financial Statements .....	31





## CORPORATE INFORMATION

### Board of Directors

R. P. Jain	<i>Chairman</i>
Mohit Jain	<i>Vice Chairman &amp; Managing Director</i>
Rohan Jain	<i>Executive Director</i>
S.C. Nanda	
Pradeep Dinodia	
Mohit Satyanand	

### Auditors

A.K. Gangaher & Co.

### Banker

Punjab & Sind Bank

### Registered Office

8377, Roshanara Road, Delhi - 110 007  
Tel.: +91 11 23826445  
Fax : + 91 11 23822409  
website : [www.dfmfoods.com](http://www.dfmfoods.com)

### Factory

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 18<sup>th</sup> Annual General Meeting of the Members of **DFM FOODS LIMITED** will be held on Wednesday, the 3<sup>rd</sup> day of August, 2011 at 10.00 A.M. at Air Force Auditorium, Subroto Park, New Delhi - 110010 to transact the following business:

1. To consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2011, 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. Gangaher & Co., Chartered Accountants, the retiring Auditors being eligible, offers themselves for reappointment.

By order of the Board  
For DFM FOODS LIMITED

Delhi (N.K. ARORA)  
Dated : 21<sup>st</sup> May, 2011 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 Register of Members and Share Transfer Books of the Company will remain closed from 16<sup>th</sup> July, 2011 to 3<sup>rd</sup> August, 2011 both days inclusive.
3. Members/ Proxies should bring the Attendance slip duly filled in for attending the meeting.
4. 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.
5. The dividend, when sanctioned, will be paid on or after 3<sup>rd</sup> August, 2011 to those shareholders, whose names will appear in the Register of Members of the Company on that date.
6. 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 onwards before the respective amounts become due for transfer to the "Investor Education and Protection Fund" or any subsequent dividend payment(s) may send their outdated dividend warrants for revalidation/ issue of demand draft in lieu thereof.
7. 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.
8. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, ECS, mandate,