



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.



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.
Chartered Accountants

BANKER

Punjab & Sind Bank

REGISTERED OFFICE

8377, Roshanara Road,
Delhi - 110007
Tel.: +91-11-23826445
Fax: + 91-11-23822409
website: www.dfmfoods.com

PLANT LOCATIONS**Ghaziabad**

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

Greater Noida

Plot No. 49, 50, 53 & 54,
Ecotech-I, Extn.,
Greater Noida (U.P.) - 201 306

REGISTRARS & TRANSFER AGENT

MCS Ltd.
F-65, 1st Floor,
Okhla Industrial Area,
Phase-I,
New Delhi - 110 020

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FINANCIAL HIGHLIGHTS

(All Amounts in Rs. Lacs, unless otherwise stated)

	2011-12	2010-11	2009-10	2008-09	2007-08
INCOME					
Sales and Other Income	1,72,19	1,21,38	73,47	78,42	50,29
Earnings Before Depreciation, Finance Cost and Tax Expense (EBDIT)	22,77	16,13	8,64	5,85	3,77
As % of Sales & Other Income	13.22	13.29	11.76	7.46	7.50
Depreciation	2,38	1,41	97	50	34
Net Profit for the year	10,36	8,32	4,21	2,00	78
ASSETS EMPLOYED					
Net Fixed Assets	88,45	32,11	22,54	9,68	6,77
Investments	2	50	2	2	2
Net Current Assets	9,44	8,47	12,11	15,30	33,62
Total	97,91	41,08	34,67	25,00	40,41
EQUITY FUNDS AND EARNINGS					
Shareholders funds:					
Equity Share Capital	10,00	10,00	9,97	9,97	9,97
Reserves and Surplus	20,15	12,70	6,44	3,98	3,14
Total	30,15	22,70	16,41	13,95	13,11
Per Equity Share of Rs. 10/-					
Book Value (Rs.)	30.15	22.70	16.46	13.99	13.15
Earnings (Rs.)	10.36	8.34	4.22	2.00	0.78
Dividend (Rs.)	2.50	2.00	1.50	1.00	0.50
Closing Market Price as on 31 st March	217.00	108.50	48.05	29.50	19.90
Market Capitalization as on 31 st March	2,17,04	1,08,52	47,91	29,42	19,84

Dear Shareholders,

We are committed to emerge as a major player in the snack food industry. This would involve:

- sales and marketing of our products across the country
- multi-locational manufacturing facilities enabling efficient market servicing
- multi-product portfolio to cater to different market segments
- institutionalization of management processes
- a vibrant organization which would be innovative, entrepreneurial and have the ability to develop and sustain growth

Towards this end we have made good progress during the year:

- our second manufacturing facility with a capacity of 10000 MT per annum was commissioned
- sales and distribution of our products was extended to the west zone of the country
- work on institutionalization of some major management processes was initiated
- our HR policies were modified to ensure that only personnel fitting our pre-defined standards were recruited at the senior management level

The financial markets appreciated our performance and the market capitalization increased to over Rs. 200 crores.

I can assure you that we shall continue with our efforts to realize the vision of your company.

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

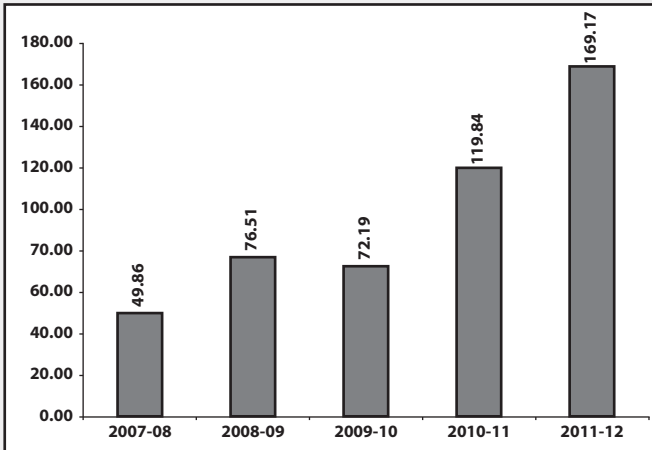
Vice Chairman & Managing Director

May 30, 2012

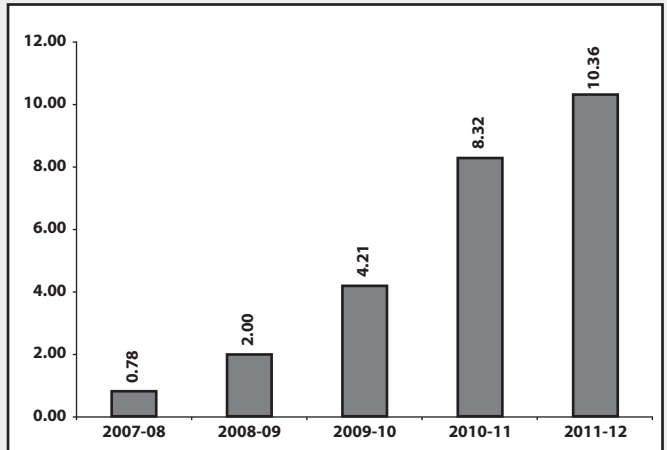


5 YEARS TREND

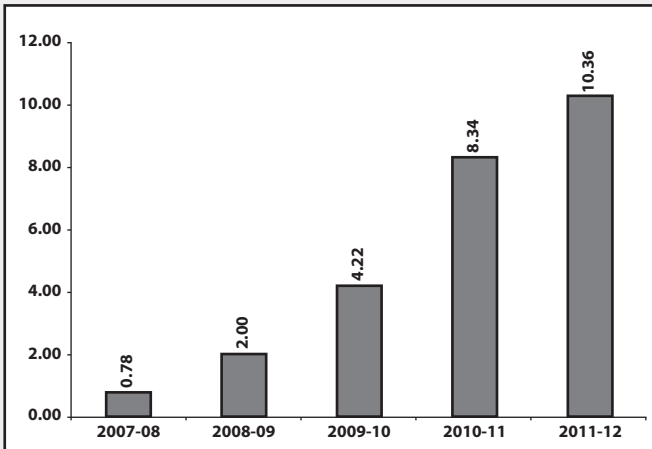
Turnover (Rs. Crore)



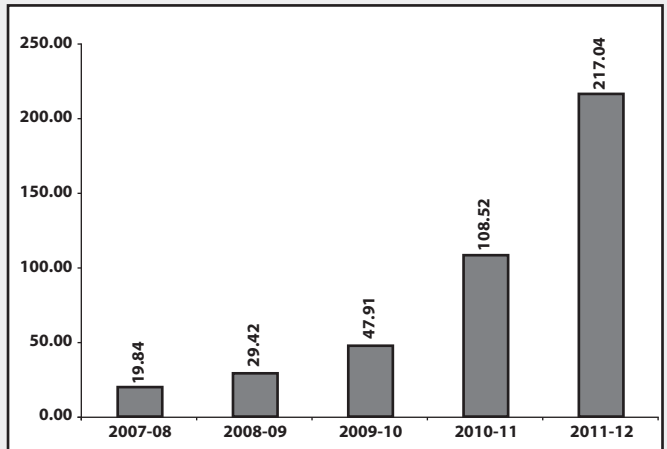
Profit After Tax (Rs. Crore)



Earnings Per Share (Rs.)



Market Capitalisation (Rs. Crore)



NOTICE

Notice is hereby given that the 19th Annual General Meeting of the Members of **DFM FOODS LIMITED** will be held on Wednesday, the 1st day of August, 2012 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, 2012, 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. S.C. Nanda, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. R.P. Jain, 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 (Regn. No. 004588N), 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 198, 269, 309, 310, 311 read with Schedule XIII, Section 316 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 the proposed remuneration to Mr. Mohit Jain, Managing Director of the Company w.e.f. 28th February, 2012 for the remaining tenure of his appointment i.e. till 27th February, 2014 as set out in the draft supplemental agreement placed before the meeting and for the purpose of identification initialed by the Chairman of the meeting, which 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 proposed remuneration and perquisites as set out in the draft supplemental agreement may be paid as the minimum remuneration to Mr. Mohit Jain, as the Managing Director 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 a **Special 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 the proposed remuneration to Mr. Rohan Jain, Executive Director of the Company w.e.f. 1st June, 2012 for the remaining tenure of his appointment i.e. till 31st May, 2014 as set out in the draft supplemental agreement placed before the meeting and for the purpose of identification initialed by the Chairman of the meeting, which 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. 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 proposed remuneration and perquisites as set out in the draft supplemental agreement may be paid as the minimum remuneration to Mr. Rohan Jain, as the Executive Director in the absence or inadequacy of profits in any financial year."

Delhi
Dated: 30th May, 2012

By order of the Board
For DFM FOODS LIMITED

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

N.K. Arora
Secretary

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 and 7 set out above are annexed hereto.
3. The Register of Members and Share Transfer books of the Company will remain closed from 16th July, 2012 to 1st August, 2012 both days inclusive.
4. Members/ Proxies should bring the Attendance slip duly filled in for attending the meeting.
5. Members are requested to intimate M/s. MCS Ltd., F-65, 1st 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 on Equity Shares, if declared at the Meeting, will be credited / dispatched on August 09, 2012 to those members whose names shall appear on the Company's Register of Members on August 01, 2012; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
7. Shareholders are advised that those who have not encashed their dividend warrant(s) so far for the financial year ended 31st 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.
8. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the Company/ Registrars and Transfer Agent, M/s. MCS Limited.
10. The securities of the Company are listed on Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 and the annual listing fee has been paid to it for the financial year 2012-13.
11. **Reappointment of Directors:**

At the ensuing Annual General Meeting, Mr. S.C. Nanda and Mr. R.P. Jain 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. R.P. Jain, whose reappointment is being considered, is the father and grandfather of Mr. Mohit Jain, Managing Director and Mr. Rohan Jain, Executive Director of the Company.
12. **Important Communication to Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to provide necessary details to the Company at info@dfmfoods.com

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 w.e.f. 28th February, 2009 with the approval of the Shareholders of the Company. Further as required under Schedule XIII to the Companies Act, 1956, the shareholders had approved payment of remuneration for a period of 3 years from the date of his reappointment. The Remuneration Committee (i.e. Board of Directors) in their meeting held on 30th January, 2012 have unanimously decided to continue the payment of the remuneration to Mr. Mohit Jain, Managing Director of the Company for the remaining tenure of his appointment i.e. till 27th February, 2014 which is reproduced hereunder:-

I. REMUNERATION

1. Salary : Rs. 1,25,000 per month
2. Commission : 4% (Four 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 remaining 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 the 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 the continuance of payment of the aforesaid 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 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 the Memorandum of concern or interest under Section 302 of the Companies Act, 1956. Further a statement containing the information 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. 7

Mr. Rohan Jain was last appointed as the Executive Director for a period of 5 years w.e.f. 1st June, 2009 with the approval of the Shareholders of the Company. Further, as required under Schedule XIII to the Companies Act, 1956, the shareholders had approved payment of remuneration for a period of 3 years from the date of his appointment. The Remuneration Committee (i.e. Board of Directors) in their meeting held on 30th May, 2012 have unanimously decided to continue the payment of the remuneration to Mr. Rohan Jain, Executive Director of the Company for the remaining tenure of his appointment i.e. till 31st May, 2014, which is reproduced hereunder:-

I. REMUNERATION

1. Salary : Rs. 2,20,000 per month
2. Commission : 4% (Four 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.