



Corporate Office : 8377, Roshanara Road, Delhi - 110007
Tel. : 23826445 Fax : 91-11-23822409

12th July, 2019

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, <u>Mumbai – 400 001</u> Scrip Code: 519588	National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (E), <u>Mumbai – 400 051</u> Scrip Code: DFMFOODS
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Sub: 26th Annual General Meeting ('AGM')

Dear Sir/Madam,


Pursuant to Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, We enclose herewith a copy of Annual Report for the Financial Year ended 31st March, 2019 and AGM Notice dated 2nd May, 2019 convening the 26th Annual General Meeting of the Company to be held on Tuesday, 13th August, 2019 at 10.00 AM. at Air Force Auditorium, Subroto Park, New Delhi-110010.

The aforesaid information is available on the company's website: www.dfmfoods.com

This is for your information and records.

Thanking you,

Your faithfully,
For **DFM Foods Limited**


(R.S. Tamer)
Company Secretary



NOTICE

Notice is hereby given that the 26th Annual General Meeting of the Members of **DFM FOODS LIMITED** will be held on Tuesday, the 13th day of August, 2019 at 10.00 A.M. at Air Force Auditorium, Subroto Park, New Delhi - 110010 to transact the following businesses:

Ordinary Business

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2019, together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Mohit Jain (DIN:00079452), who retires by rotation and, being eligible, offers himself for re-appointment.

Special Business

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

“RESOLVED that pursuant to Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and Regulation 17(6)(e) and all other applicable regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any amendment thereto or modification thereof and Article 125 of the Articles of Association of the Company, consent be and is hereby accorded to the re-appointment of Mr. Mohit Jain (DIN:00079452) as Managing Director of the Company whose office will be liable to retire by rotation for a period of 5 years w.e.f. 28th February, 2019 on the terms and conditions as set out in the statement annexed to the notice convening this meeting.

RESOLVED FURTHER, in case of loss or inadequacy of profits during any financial year, the remuneration paid to Mr. Mohit Jain shall be the minimum remuneration subject to compliance with provisions of Section 197 read with Schedule V of the Act.

RESOLVED FURTHER that the Board of Directors [hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee (Compensation Committee) and/or a Committee of the Board] be and are hereby authorized to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between Mr. Mohit Jain and the Board of Directors of the Company and to do all such acts and deeds, as may be necessary to give effect to this resolution.”

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

“RESOLVED that pursuant to Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and Regulation 17(6)(e) and all other applicable regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any amendment thereto or modification thereof and Article 125 of the Articles of Association of the Company, consent be and is hereby accorded to the re-appointment of Mr. Rohan Jain (DIN:02644896) as Whole Time Director designated as Dy. Managing Director of the Company whose office will be liable to retire by rotation for a period of 5 years w.e.f. 1st June, 2019 on the terms and conditions set out in the statement annexed to the notice convening this meeting.

RESOLVED FURTHER, in case of loss or inadequacy of profits during any financial year, the remuneration paid to Mr. Rohan Jain shall be the minimum remuneration subject to compliance with provisions of Section 197 read with Schedule V of the Act.

RESOLVED FURTHER that the Board of Directors [hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee (Compensation Committee) and/or a Committee of the Board] be and are hereby authorized to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between Mr. Rohan Jain and the Board of Directors of the Company and to do all such acts and deeds, as may be necessary to give effect to this resolution.”

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

“RESOLVED that in terms of Section 149 read with Schedule IV of the Companies Act, 2013, and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any amendment thereto or modification thereof, Mr. Pradeep Dinodia (DIN:00027995) be and is hereby re-appointed as an Independent Director of the Company for a consecutive period of 5 (five) years with effect from 30th December, 2019 and whose office shall not be liable to retire by rotation.”

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

“RESOLVED that in terms of Section 149 read with Schedule IV of the Companies Act, 2013, and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any amendment thereto or modification thereof, Mr. Sarat Chandra Nanda (DIN:00827193) be and is hereby re-appointed as an Independent Director of the Company for a consecutive period of 5 (five) years with effect from 30th December, 2019 and whose office shall not be liable to retire by rotation.”

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

“RESOLVED that in terms of Section 149 read with Schedule IV of the Companies Act, 2013, and applicable Regulations

of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any amendment thereto or modification thereof, Mr. Mohit Satyanand (DIN:00826799) be and is hereby re-appointed as an Independent Director of the Company for a consecutive period of 5 (five) years with effect from 30th December, 2019 and whose office shall not be liable to retire by rotation.”

Place: New Delhi
Dated: 2nd May, 2019

By order of the Board
For DFM Foods Limited

Registered Office:
8377, Roshanara Road, Delhi-110 007
CIN: L15311DL1993PLC052624
E-mail: dfm@dfmgroup.in
Website: www.dfmfoods.com
Tel: 011-23826445
Fax: 011-23822409

Raju Singh Tomer
Company Secretary

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 18.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of the names as per the Register of Members of the Company will be entitled to vote.
5. The Statement setting out the material facts pursuant to Section 102(1) of the Companies Act, 2013 in respect of Special Business under item no(s). 4 to 8 set out above is annexed hereto.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 27th July, 2019 to 13th August, 2019 both days inclusive.
7. The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched between 14th August, 2019 and 23rd August, 2019 to those members whose names shall appear on the Company’s Register of Members on 26th July, 2019; 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.
8. Members/ Proxies / Authorised Representatives should bring the Attendance Slip duly filled in for attending the Meeting.
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 and NECS details immediately to the Company’s Registrar and Share Transfer Agent, M/s. MCS Share Transfer Agent Ltd., F-65, 1st Floor, Okhla Indl. Area, Phase – I, New Delhi – 110 020.
10. 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 Registrar and Share 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.
11. Shareholders are advised that those who have not encashed their dividend warrant(s) so far for the financial year ended 31st March, 2012 onwards may send their outdated dividend warrants for revalidation/ issue of demand draft in lieu thereof before the respective amounts become due for transfer to the “Investor Education and Protection Fund”.

12. Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, the Company is required to transfer all shares in respect of which dividend has not been paid or claimed by the members for seven consecutive years or more in the name of Investor Education and Protection Fund Authority. Accordingly, the Company has transferred all such shares to the Demat Account opened by the IEPF Authority. The Company has also uploaded the details of such members whose shares have been transferred to IEPF Account on its website www.dfmfoods.com. The shares transferred to IEPF Account including all benefits accruing on such shares, if any, can be claimed by the concerned members from IEPF Authority on its website at www.iepf.gov.in, after following the procedure prescribed under the aforesaid Rules.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) and bank accounts details by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN and bank accounts to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN and bank account details to the Company or its "Registrar and Share Transfer Agent" M/s. MCS Share Transfer Agent Ltd. Further, the Members holding physical shares are advised to dematerialized their shares because w.e.f. 1st April, 2019 physical transfer has been discontinued.
14. The securities of the Company are listed on BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 and National Stock Exchange of India Ltd., Plot C-1, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051 and the annual listing fees has been paid to both the stock exchanges for the financial year 2019-20.
15. At the ensuing Annual General Meeting the information or details pertaining to re-appointment of Director's as required in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings are furnished in this Notice and in the Report on Corporate Governance published in this Annual Report.

The Directors seeking re-appointment have furnished the requisite declaration for their re-appointment.
16. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices and Circulars etc. from the Company electronically.
17. Registers under Section 170 and 189 of the Companies Act, 2013 will be available for inspection at the AGM of the Company.
18. Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and

Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI(LODR), Regulations, 2015 the Company is pleased to provide its members the facility of 'remote e-voting' (which means e-voting from a place other than venue of the AGM) to exercise their right to vote at the 26th Annual General Meeting (AGM). The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).

The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the 26th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the AGM but shall not be entitled to cast their vote again at the AGM.

The Company has appointed Mr. Pradeep Debnath (FCS- 6654) of M/s. Pradeep Debnath & Co., Practicing Company Secretaries as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast 2 witnesses not in the employment of the Company and shall within 2 days of conclusion of the AGM shall submit a consolidated Scrutinizer's report of the total votes cast in favor of or against, if any, to the Chairman or any other person authorized who shall countersign the same and declare the result of the voting forthwith.

The results along with Scrutinizer's Report, will be placed on the Company's website at www.dfmfoods.com and the website of CDSL immediately after the result is declared. The results shall simultaneously be communicated to the Stock Exchange where the securities of the Company are listed. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Saturday, 10th August, 2019 at 10:00 A.M. and ends on Monday, 12th August, 2019 at 5:00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 6th August, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5:00 P.M. on 12th August, 2019.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iv) Click on Shareholders/Members.

- (v) Now Enter your User ID:
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant DFM FOODS LTD. on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the changed login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked

Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

- (xxii) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 6th August, 2019 may follow the same instructions as mentioned above for e-Voting.
19. The route map showing directions to reach the venue of the AGM is annexed and forms part of this Notice.

ANNEXURE TO THE NOTICE

[Pursuant to Section 102 (1) of the Companies Act, 2013]

ITEM NO. 4

Mr. Mohit Jain (DIN:00079452) was last appointed as the Managing Director of the Company for a period of 5 years with the approval of the members of the Company on 31st July, 2014, which expired on 27th February, 2019.

On the recommendation of the Nomination and Remuneration Committee (Compensation Committee) and subject to the approval of the members, the Board of Directors in their meeting held on 8th February, 2019 unanimously re-appointed Mr. Mohit Jain, as Managing Director of the Company for a further period of 5 years w.e.f. 28th February, 2019 on the terms and conditions set out below. Mr. Mohit Jain is also the Managing Director of the The Delhi Flour Mills Co. Ltd.

I. REMUNERATION

1. Salary : Rs. 5,50,000 per month
2. Commission : 4% (Four percent) of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013, after the profits of the Company are ascertained in each year.
3. Perquisites :

Category A

- a) Company maintained rent free accommodation or house rent allowance in lieu thereof.
- b) Payment of expenditure on gas, electricity, water, furnishing and servants at residence and office of the Managing Director.
- c) 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.
- d) Furniture allowance as per rules of the Company.
- e) Leave travel allowance for self and family as per rules of the Company.
- f) Subscription fees of clubs subject to a maximum of two clubs excluding admission and life membership fees.
- g) Personal Accident Insurance as per rules of the Company.
- h) 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.
- f) Other terms and conditions as mentioned in the agreement executed between the Company and Mr. Mohit Jain.

The Managing Director shall be paid minimum remuneration even in case of loss or inadequacy of profits in any year during his tenure, subject to the compliance of Schedule V of the Companies Act, 2013 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 197(8) of the Companies Act, 2013. 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 he is not debarred from re-appointment as Managing Director pursuant to any order of SEBI or any other authority.

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

II. In the event of termination of the re-appointment of the Managing Director by the Company he shall be entitled to receive compensation in accordance with the provisions of Section 202 of the Companies Act, 2013.

In compliance with the provisions of Section 196 and 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, read with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the re-appointment and payment of the remuneration to the Managing Director as set out above is now being placed before the members for their approval.

The agreement executed with Mr. Mohit Jain containing the terms and conditions of re-appointment as approved by the Nomination & Remuneration Committee and the Board, 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 upto the date of the Meeting.

Besides Mr. Mohit Jain, Managing Director, Mr. Rohan Jain, Dy. Managing Director being son of Mr. Mohit Jain is concerned or interested in this resolution.

The contents of Item no. 4 of the notice and the relevant Statement may be treated as written Memorandum under Section 190 of the Companies Act, 2013

The Board recommends this special resolution set out at Item No. 4 of the Notice for approval by the members.

The detail required under SEBI (LODR), Regulations and Secretarial Standard-2 on General Meetings are separately disclosed in this Notice and in the report of Corporate Governance.

ITEM NO. 5

Mr. Rohan Jain (DIN:02644896) was last appointed as a Whole Time Director designated as Dy. Managing Director for a period of 5 years with the approval of the members of the Company on 31st July, 2014, which expired on 31st May, 2019.

On the recommendation of the Nomination and Remuneration Committee (Compensation Committee) and subject to approval of the members, the Board of Directors in their meeting held on 8th February, 2019 re-appointed Mr. Rohan Jain, as a Whole Time Director designated as Dy. Managing Director of the Company for a further period of 5 years w.e.f. 1st June, 2019 on the terms and conditions set out below.

I. REMUNERATION

1. Salary : Rs. 6,50,000 per month
2. Commission : 4% (Four percent) of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013, after the profits of the Company are ascertained in each year.

3 Perquisites:

Category A

- a) Company maintained rent free accommodation or house rent allowance in lieu thereof.
- b) Payment of expenditure on gas, electricity, water, furnishing and servants at residence and office of the Dy. Managing Director.
- c) 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.
- d) Furniture allowance as per rules of the Company.
- e) Leave travel allowance for self and family as per rules of the Company.
- f) Subscription fees of clubs subject to a maximum of two clubs excluding admission and life membership fees.
- g) Personal Accident Insurance as per rules of the Company.
- h) 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 Dy. Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- f) Other terms and conditions as mentioned in the agreement executed between the Company and Mr. Rohan Jain.

The Dy. Managing Director shall be paid minimum remuneration even in case of loss or inadequacy of profits in any year during his tenure, subject to the compliance of Schedule V of the Companies Act, 2013 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 197(8) of the Companies Act, 2013. 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 he is not debarred from re-appointment as Dy. Managing Director pursuant to any order of SEBI or any other authority.

- II. In the event of termination of the re-appointment of the Dy. Managing Director by the Company he shall be entitled to receive compensation in accordance with the provisions of Section 202 of the Companies Act, 2013.

In compliance with the provisions of Section 196 and 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the re-appointment and payment of the remuneration to the Dy. Managing Director as set out above is now being placed before the members for their approval.

The agreement executed with Mr. Rohan Jain containing the terms and conditions of re-appointment as approved by the Nomination & Remuneration Committee and the Board, 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 upto the date of meeting.

Besides Mr. Rohan Jain, Mr. Mohit Jain, Managing Director, being father of Mr. Rohan Jain is concerned or interested in this resolution.

The contents of Item no. 5 of the notice and the relevant Statement may be treated as written Memorandum under Section 190 of the Companies Act, 2013.

The Board recommends this special resolution set out at Item No. 5 of the Notice for approval by the members.

The detail required under SEBI (LODR), Regulations and Secretarial Standard-2 on General Meetings are separately disclosed in this Notice and in the report of Corporate Governance.

ITEM NO. 6

The Members vide Postal Ballot-Notice dated 14th November, 2014 had appointed Mr. Pradeep Dinodia (DIN:00027995) as Independent Director of the Company in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act') or any amendment thereto or modification thereof for a term commencing from 30th December, 2014 for a period of five year i.e upto 29th December, 2019. Accordingly, the first term of Mr. Pradeep Dinodia, is to conclude on 29th December, 2019. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee and on the basis of their performance evaluation, which was found satisfactory, approved the re-appointment of Mr. Pradeep Dinodia as an Independent Director, not being liable to retire by rotation, for a second term commencing from 30th December, 2019 to 29th December, 2024, subject to the approval of the Members.

The Board is of the view that the continued association of Mr. Dinodia would benefit the Company, given the knowledge, experience and performance of Mr. Dinodia and his contribution to Board. Declaration has been received from Mr. Dinodia that he meets the criteria prescribed under Section 149 of Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable Regulations of SEBI (LODR) Regulations, 2015 for re-appointment as an Independent Director and that he is not debarred from re-appointment by any order of SEBI or any other authority.

Your Board is of the opinion that Mr. Dinodia fulfill the conditions specified in the Act and the Rules thereunder for his re-appointment as Independent Director and that he is independent of the management of the Company. Except for the sitting fees for attending meetings of the Board and Committees thereof, he is not entitled to any remuneration.

The Company has received a notice in writing from a member proposing the re-appointment of the candidature of Mr. Pradeep Dinodia for the office of Independent Director of the Company. Mr. Pradeep Dinodia is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Board recommends this special resolution set out at Item No. 6 of the Notice for approval by the members.

Mr. Pradeep Dinodia and his relatives are interested in this Special Resolution. None of the other Directors and Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The detail required under SEBI (LODR), Regulations and Secretarial Standard-2 on General Meetings are separately disclosed in this Notice and in the report of Corporate Governance.

ITEM NO. 7

The Members vide Postal Ballot-Notice dated 14th November, 2014 had appointed Mr. Sarat Chandra Nanda (DIN:00827193) as Independent Director of the Company in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), or any amendment thereto or modification thereof for a term commencing from 30th December, 2014 for a period of five year i.e. upto 29th December, 2019. Accordingly, the first term of Mr. Sarat Chandra Nanda, is to conclude on 29th December, 2019. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee and on the basis of their performance evaluation, which was found satisfactory, approved the re-appointment of Mr. Nanda as an Independent Director, not being liable to retire by rotation, for a second term commencing from 30th December, 2019 to 29th December, 2024, subject to the approval of the Members.

The Board is of the view that the continued association of Mr. Sarat Chandra Nanda would benefit the Company, given the knowledge, experience and performance of Mr. Sarat Chandra Nanda and his contribution to the Board. Declaration has been received from Mr. Nanda that he meets the criteria prescribed under Section 149 of Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable Regulations of SEBI (LODR) Regulations, 2015 for re-appointment as an Independent Director and that he is not debarred from re-appointment by any order of SEBI or any other authority.

Your Board is of the opinion that Mr. Nanda fulfill the conditions specified in the Act and the Rules thereunder for his re-appointment as Independent Director and that he is independent of the management of the Company. Except for the sitting fees for attending meetings of the Board and Committees thereof, he is not entitled to any remuneration.

The Company has received a notice in writing from a member proposing the re-appointment of the candidature of Mr. Sarat Chandra Nanda for the office of Independent Director of the Company. Mr. Sarat Chandra Nanda is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Board recommends this special resolution set out at Item No. 7 of the Notice for approval by the members.

Mr. Sarat Chandra Nanda and his relatives are interested in this Special Resolution. None of the other Directors and Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The detail required under SEBI (LODR), Regulations and Secretarial Standard-2 on General Meetings are separately disclosed in this Notice and in the report of Corporate Governance.

ITEM NO. 8

The Members vide Postal Ballot-Notice dated 14th November, 2014 had appointed Mr. Mohit Satyanand (DIN:00826799) as Independent Director of the Company in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), or any amendment thereto or modification thereof for a term commencing from 30th December, 2014 for a period of five year i.e. upto 29th December, 2019. Accordingly, the first term of Mr. Mohit Satyanand, is to conclude on 29th December, 2019. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee and on the basis of their performance evaluation, which was found satisfactory, approved the re-appointment of Mr. Mohit Satyanand as an Independent Director, not being liable to retire by rotation, for a second term commencing from 30th December, 2019 to 29th December, 2024, subject to the approval of the Members.

The Board is of the view that the continued association of Mr. Satyanand would benefit the Company, given the knowledge, experience and performance of Mr. Satyanand and contribution to Board. Declaration has been received from Mr. Satyanand that he meets the criteria prescribed under Section 149 of Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable regulations of SEBI (LODR), Regulations, 2015 for re-appointment as an Independent Director and that he is not debarred from re-appointment by any order of SEBI or any other authority.

Your Board is of the opinion that Mr. Satyanand fulfill the conditions specified in the Act and the Rules thereunder for his re-appointment as Independent Director and that he is independent of the management of the Company. Except for the sitting fees for attending meetings of the Board and Committees thereof, he is not entitled to any remuneration.

The Company has received a notice in writing from a member proposing the re-appointment of the candidature of Mr. Mohit Satyanand for the office of Independent Director of the Company. Mr. Mohit Satyanand is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Board recommends this special resolution set out at Item No. 8 of the Notice for approval by the members.

Mr. Mohit Satyanand and his relatives are interested in this Special Resolution. None of the other Directors and Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The detail required under SEBI (LODR), Regulations and Secretarial Standard-2 on General Meetings are separately disclosed in this Notice and in the report of Corporate Governance.

Place: New Delhi

Dated: 2nd May, 2019

By order of the Board
For DFM Foods Limited

Registered Office:

8377, Roshanara Road, Delhi-110 007

CIN: L15311DL1993PLC052624

E-mail: dfm@dfmgroup.in

Website: www.dfmfoods.com

Tel: 011-23826445

Fax: 011-23822409

Raju Singh Tomer
Company Secretary

Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting.
(In pursuance of SEBI(LODR) Regulations and Secretarial Standard -2 on General Meetings)

Name of Director	Mr. Mohit Jain	Mr. Rohan Jain	Mr. Pradeep Dinodia	Mr. Sarat Chandra Nanda	Mr. Mohit Satyanand
Date of Birth	3 rd September, 1955	23 rd June, 1983	2 nd December, 1953	4 th October, 1952	10 th July, 1956
Date of Joining	17 th March, 1993	1 st June, 2009	8 th March, 1994	8 th March, 1994	29 th January, 2000
Expertise in specific functional area	Intimate knowledge of both the Flour Milling and Snack Food Industry	He has developed the necessary experience and expertise in the area of Managing the overall business affairs of the Company with particular reference to sales, marketing and new product development.	He is an expert in the matters of Tax Litigation, Accounting, Succession Planning, Corporate Governance and has co-authored a book "Transfer Pricing Demystified".	He is an expert in handling advisory work in real estate matters, joint venture collaborations Including foreign collaborations, international Business transaction etc.	He is an entrepreneur and advisor. He is a Promoter Director of Inlingua, New Delhi, a leader in language training. He now supports start-up companies through investment and mentoring.
Qualifications	B.A. Honors (Economics)	B. Sc. in Economics with Concentration in Finance from Wharton School, University of Pennsylvania	LL.B. and FCA	LL.B. and M.Sc	B.A. Honors Economics and M.A Economics
Directorship held in other Companies (excluding Foreign Companies)	Please refer Corporate Governance Section	Please refer Corporate Governance Section	Please refer Corporate Governance Section	Please refer Corporate Governance Section	Please refer Corporate Governance Section
Committee Position held in other Companies	Please refer Corporate Governance Section	Please refer Corporate Governance Section	Please refer Corporate Governance Section	Please refer Corporate Governance Section	Please refer Corporate Governance Section
Remuneration/ Sitting fees last drawn (2018-19)	237.79 Lakhs	252.06 Lakhs	6.00 Lakhs	6.00 Lakhs	10.50 Lakhs
Number of meetings of the Board attended during the year	4	4	3	3	4
No. of Shares	8,53,625	96,000	51,000	14,000	2,18,095



Registered Office: 8377, Roshanara Road, Delhi – 110 007
CIN: L15311DL1993PLC052624

ATTENDANCE SLIP

26th ANNUAL GENERAL MEETING - 13th August, 2019 AT 10.00 A.M.

Reg. Folio No

DP ID No

Client ID No

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the 26th ANNUAL GENERAL MEETING of the Company at Air Force Auditorium, Subroto Park, New Delhi – 110010 on Tuesday, 13th August, 2019.

.....
Member's/ Proxy's name in BLOCK Letters

.....
Member's/Proxy's Signature

Note: Please fill this attendance slip and hand it over at ENTRANCE OF THE HALL.



Registered Office: 8377, Roshanara Road, Delhi – 110 007
CIN: L15311DL1993PLC052624

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

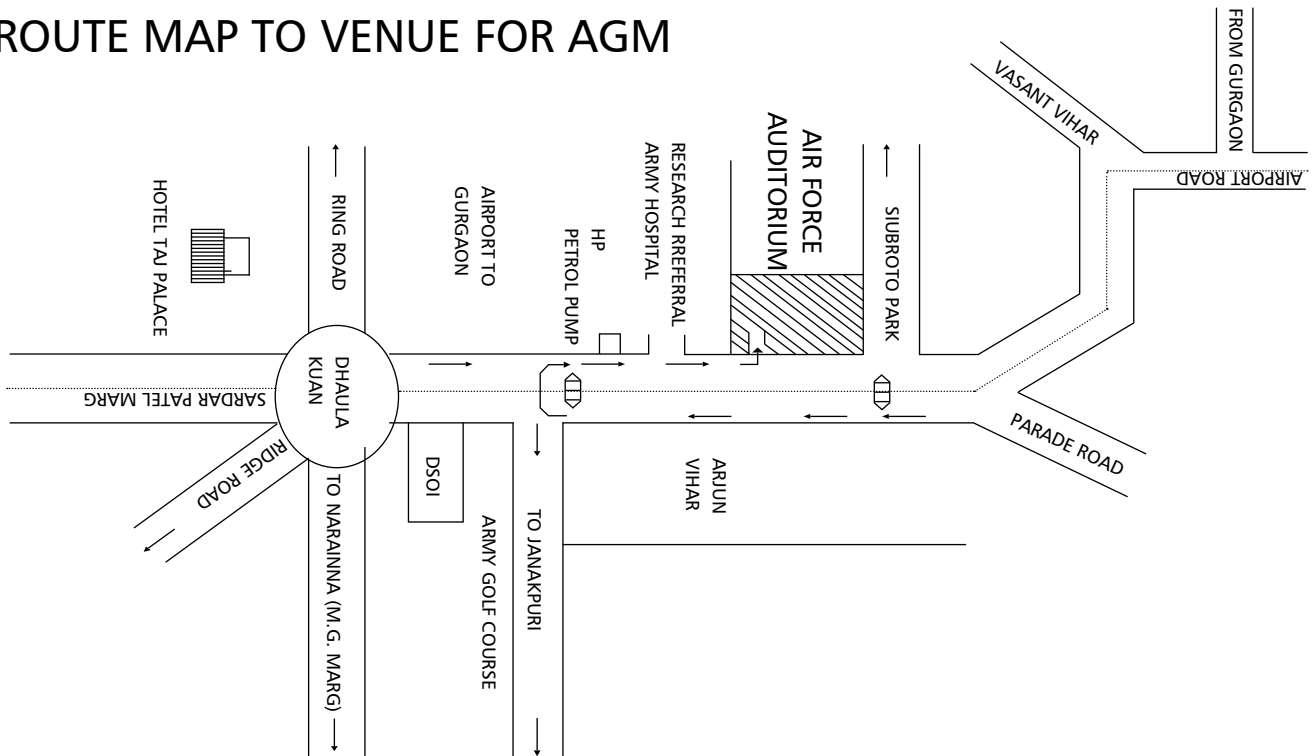
Name of the Member(s):		Email Id :	
Registered Address:		Folio No./*Client Id:	
		DP Id:	

*Applicable for investors holding shares in electronic form

I/We, being the member(s) of shares of the above named Company hereby appoint:

- 1) _____ of _____ having email _____ or failing him
- 2) _____ of _____ having email _____ or failing him
- 3) _____ of _____ having email _____ or failing him

ROUTE MAP TO VENUE FOR AGM



and whose signature (s) are appended below as my / our proxy to attend and vote (on a poll) for me /us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on Tuesday, the 13th August, 2019 at 10.00 A.M. at Air Force Auditorium, Subroto Park, New Delhi – 110010 and at any adjournment thereof in respect of such resolutions as are indicated below:

**** I wish my above Proxy to vote in the manner as indicated in box below:**

Resolutions	For	Against
1. Adoption of Audited Financial Statement, Reports of the Board of Directors and Auditors		
2. Declaration of dividend on equity shares		
3. Re-appointment of Mr. Mohit Jain, who retires by rotation		
4. Re-appointment of Mr. Mohit Jain as Managing Director of the Company		
5. Re-appointment of Mr. Rohan Jain as Dy. Managing Director of the Company		
6. Re-appointment of Mr. Pradeep Dinodia as an Independent Director		
7. Re-appointment of Mr. Sarat Chandra Nanda as an Independent Director		
8. Re-appointment of Mr. Mohit Satyanand as an Independent Director		

Signed this day of 2019.

.....
Signature of member

1.

Signature of proxy holder(s)

2.

Signature of proxy holder(s)

3.

Signature of proxy holder(s)

Affix a
Re.1/-
Revenue
Stamp

Notes:

- This form, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- A proxy need not be a member of the Company.
- Appointing a proxy does not prevent a member from attending the meeting in person, if he/she so wishes.
- This is only optional. Please put a '√' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.**

ANNUAL REPORT
2018-19

DFM
FOODS LTD.



CREATING VALUE

**Tummy full of
Yummy Potatoes and
Crunchy Corn**

**Awesome
Combination of
Indian and Chinese Spices**



DFM Foods Limited is a pioneer in the Indian packaged snack foods business. Established in 1983, our flagship brand CRAX was the first successful packaged snack food in India.

Corporate Overview

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Board and Management Reports

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CORPORATE INFORMATION

Board of Directors

Mohit Jain, Chairman & Managing Director

Rohan Jain, Dy. Managing Director

S. C. Nanda

Pradeep Dinodia

Mohit Satyanand

Sandeep Singhal

Hiroo Mirchandani

Auditors

Deloitte Haskins & Sells
Chartered Accountants

Bankers

Punjab & Sind Bank
Karnataka Bank Limited

Registered Office

8377, Roshanara Road, Delhi 110 007
CIN : L15311DL1993PLC052624
Tel : +91-11-23826445
Fax : +91-11-23822409
Website : www.dfmfoods.com

Plant Locations

Ghaziabad

C-40, Site-III, Meerut Road Industrial Area,
Ghaziabad (U.P.) -201 303

Greater Noida

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

Registrar & Transfer Agent

MCS Share Transfer Agent Limited
F-65, 1st Floor, Okhla Industrial Area,
Phase-I, New Delhi 110 020



CREATING VALUE





CRAX KE SANG NON STOP FUN

A unique corn based, non-fried snack, it's a hit among the kids. It's ring-shape is loved by the kids and it comes in 6 flavours - Chatpata, Tangy Tomato, Masala Mania, Pudina Punch, Thai Sweet Chilli & Mast Cheese. Crax Corn Rings are available in ₹5 & ₹10 pack.



SOFT MELT-IN-MOUTH DELICIOUS CORN CURLS

With the goodness of Corn, Crax Curls has 3 lip smacking flavours - Chatpata Masala, Tomato Treat & Spicy Delight which are liked by everyone. It is available in ₹5 pack.



FRITTS KHA. DIMAG MAT KHA.

Light and crispy sticks made from a mouth-watering combination of yummy potatoes and crunchy corn. Fritts is a non-fried, delicious any-time snack that comes in 2 flavours - Masala Mix and Cream & Onion and is available in ₹5 and ₹10 pack.



YE KHULEGA TOH MOOH CHALEGA

This light-weight, crunchy wheat puff is available in Classic & Masala flavours with a low fat percentage. Priced at ₹5, it extends our franchise to a wider market.



GRAB YOUR BITE OF YUMMY CHEESY DELIGHT

A mouth-watering snack filled with the rich taste of cheese. These light & crispy cheese balls are an all-time favourite. A pack of Crax Cheese Balls is priced at ₹5.



BAS KHAO AUR BORING KO BHAGAO

Pasta Crunch is a mouth-watering snack that has a pasta shape and a crunchy taste. It brings the best of Chinese and Indian spices in its Chinese Tadka flavour priced at ₹5 per pack.

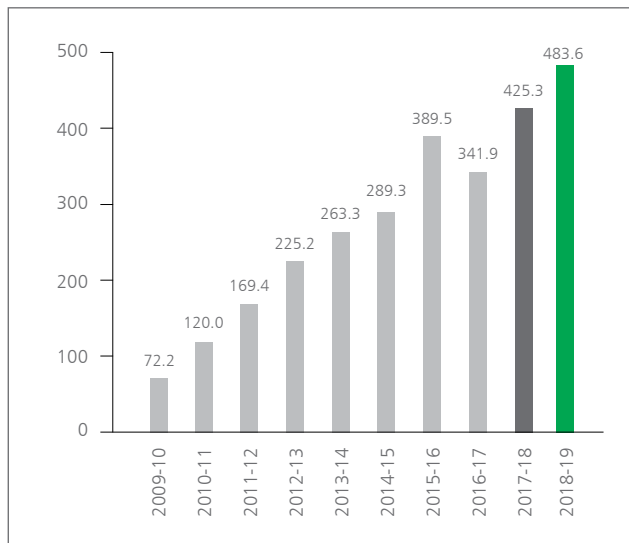


NAZAKAT KE SAATH ZAIKA KUCH KHAAS

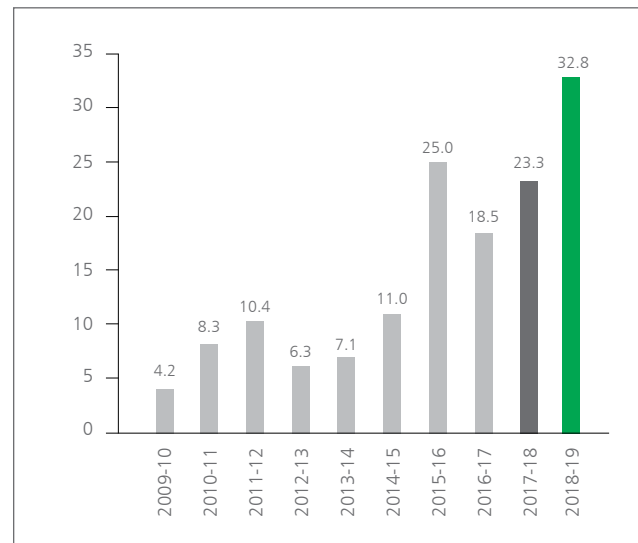
A range of ethnic snacks made from the finest ingredients, Crax Namkeen offers a wide range of Bhujias, Mixtures & Nuts. These delicacies are available at ₹5, ₹10 & ₹20 price points.

Financial Highlights

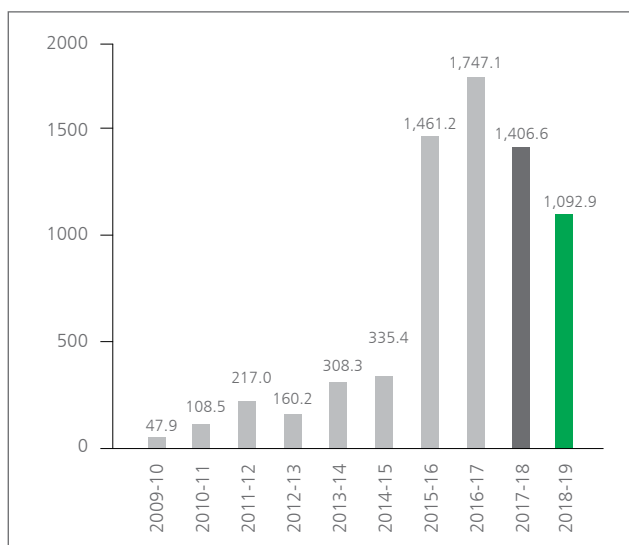
Turnover (₹ in crore)



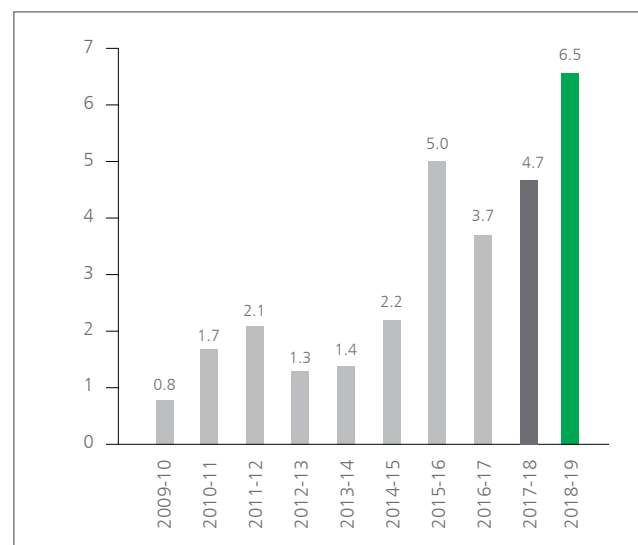
Net Profit for the year (₹ in crore)



Market Capitalisation (₹ in crore)



Earnings per Share (₹)



Ten Year Analysis

(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
FINANCIAL PERFORMANCE										
Sales	72.2	120.0	169.4	225.2	263.3	289.3	389.5	341.9	425.3	483.6
Earnings Before, Finance Cost, Depreciation and Tax Expense (EBITDA)#	7.4	14.9	20.0	21.0	22.6	30.7	47.1	31.8	50.8	64.9
As % of Sales	10.2%	12.4%	11.8%	9.3%	8.6%	10.6%	12.1%	9.3%	12.0%	13.4%
Depreciation & Amortisation Expense	1.0	1.4	2.4	4.4	8.2	5.9	6.6	7.2	10.0	10.5
Net Profit for the year	4.2	8.3	10.4	6.3	7.1	11.0	25.0	18.5	23.3	32.8
FINANCIAL POSITION										
Net Fixed Assets	22.5	32.1	88.5	97.4	91.1	88.2	112.5	159.0	159.3	171.6
Current Investments	-	0.5	-	-	14.0	30.8	42.3	48.5	51.9	55.1
Net Current Assets	12.1	(6.4)	(7.4)	(11.7)	(9.4)	(1.2)	6.0	(13.8)	16.1	45.3
Total Assets	46.3	55.2	123.3	138.4	126.6	141.8	191.0	259.3	269.4	311.2
Equity Share Capital	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Reserves and Surplus	6.4	12.7	20.2	23.6	27.7	35.7	54.8	74.6	92.4	119.2
Shareholder's Fund	16.4	22.7	30.2	33.6	37.7	45.7	64.8	84.6	102.4	129.2
Long Term Borrowings	16.0	8.8	51.1	42.6	32.5	28.0	41.2	73.7	80.9	83.4
Short Term Borrowings	-	4.1	6.6	11.2	4.9	11.1	3.7	10.4	5.7	3.8
Total Borrowings	16.0	12.9	57.7	53.8	37.4	39.2	44.9	84.1	86.5	87.2
FINANCIAL PARAMETERS										
ROCE (Return on Capital Employed)*	29.0%	47.1%	37.6%	27.1%	30.6%	37.8%	45.4%	24.5%	29.0%	31.4%
ROSF (Return on Shareholders Funds)**	27.7%	42.5%	39.2%	19.8%	19.9%	26.4%	45.3%	23.5%	24.9%	28.3%
Debt Equity Ratio***	1.0	0.4	1.7	1.3	0.9	0.6	0.6	0.9	0.8	0.7
Current Ratio****	2.0	0.7	0.8	0.8	0.8	1.0	1.1	0.8	1.3	1.6
Book Value Per Share (₹)	3.3	4.5	6.0	6.7	7.5	9.1	13.0	16.9	20.4	25.8
Earnings Per Share (₹)	0.8	1.7	2.1	1.3	1.4	2.2	5.0	3.7	4.7	6.5
Dividend Per Share (₹)	0.3	0.4	0.5	0.5	0.5	0.5	1.0	1.0	1.0	1.3
Dividend Including DDT as % of Earnings	41.6%	27.9%	28.1%	46.3%	41.1%	27.3%	24.0%	32.6%	25.9%	23.0%
Closing Market Price as on 31 st March (₹)	9.6	21.7	43.4	32.0	61.6	67.1	292.2	349.4	280.7	218.1
Market Capitalization as on 31 st March	47.9	108.5	217.0	160.2	308.3	335.4	1,461.2	1,747.1	1,406.6	1,092.9

FY 2016-17 to FY 2018-19 are as per Ind-AS

FY 2009-10 to FY 2015-16 are as per IGAAP

* EBITDA (Incl Other Income) / Avg. Capital Employed (Total Assets- CL)

** PAT/ Avg. Shareholders funds

*** Long term borrowings/ Shareholders funds

**** Current Assets (CA) / Current Liabilities (CL)

#Excluding exceptional items

CAGR over last 10 years:

Sales	20.9%
EBITDA	24.3%
Net Profit	22.8%

Board of Directors



(From left to right)

Mr. Sandeep Singhal, Mr. Mohit Satyanand, Mr. Rohan Jain, Mr. Mohit Jain, Ms. Hiroo Mirchandani, Mr. Pradeep Dinodia, Mr. S. C. Nanda

Chairman's Letter



Dear Shareholders,

The Company continued to grow and consolidate its business during the year.

The new products launched in the previous year continued to grow, the upgradation of the Ghaziabad extrusion line was completed and efforts to strengthen and improve the distribution system continued unabated.

Two new products were launched during the year. Fritts in Q3 and Pasta Crunch towards the end of Q4. Both have met with encouraging response.

Your Company shall continue to invest in the development and introduction of new products to expand its portfolio and offer a greater choice to its consumers.

Besides, work on marketing innovation, strengthening the distribution system and creation of fresh capacity will be the focus for the next year.

I am confident that our efforts will result in continued growth and consolidation of our business on a sustainable basis.

I would like to thank the entire Management Team for their untiring efforts in developing the business.

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

With best wishes,

Sincerely,

Mohit Jain
Chairman & Managing Director
2nd May, 2019

MANAGEMENT DISCUSSION & ANALYSIS

1. The core business of your Company is the manufacture and marketing of snack foods.

2. Economic Scenario

During the year, there has been a slowdown in the economic growth rate and it seems that the investment cycle has not yet revived.

The year also witnessed financial volatility on account of both global and domestic factors. The Government is actively engaged in the resolution of financial and liquidity issues in the system.

All these efforts should stabilize the system and further improve the economic fundamentals of the Country.

3. Industry structure and its development

The organized snack food industry consists of four segments – traditional namkeens, potato chips, bridged and extruded snacks. Collectively the industry is estimated to be about ₹ 23,000 crores per annum and from all counts is growing at a healthy clip.

The organized sector consists of several kinds of players. These competitors range from having a product portfolio covering all segments of the market and a national presence, to the majority who are concentrated in one segment and have a strong regional presence.

Besides the organized sector, a large unorganized sector also exists. The unorganized sector is very localized and normally operates in a single segment.

The growth of the Industry has continuously attracted new entrants in both the organized and unorganized sector in virtually all the segments of the market.

The bulk of your Company's business comes from the extruded snack food segment, as that has so far been the main focus. The Company also has a small presence in the traditional namkeens segment.

4. Financial Review

During the year the sales of the Company increased from ₹ 425.31 crores to ₹ 483.62 crores recording a growth of 13.7%.

The change in material financial parameters was as under:-

	2018-19	2017-18	Growth
Material Margin	41.3%	39.9%	
EBITDA	₹ 64.92 crore	₹ 50.83 crore	27.7%
PAT	₹ 32.70 crore	₹ 22.96 crore	42.4%

The Company continued to consolidate its financial position. Various financial parameters such as debt equity ratio, current ratio and return on equity have all improved further.

A summary of the financial statement has been given in this report.

In light of the improved financial results the proposed dividend for the year has been enhanced to ₹ 1.25 per share of face value of ₹ 2/- each amounting to ₹ 7.55 crores including Dividend Distribution Tax.

	(₹ in Lakhs)	
	2018-19	2017-18
Sales	48,362	42,531
Cost of materials	28,393	25,575
Employees benefits expenses	4,597	4,156
Other Expenses	8,880	7,717
EBITDA before exceptional items	6,492	5,083
Other Income	510	434
Finance Costs	1,063	1,002
Depreciation	1,050	997
PBT before exceptional items	4,889	3,518
Exceptional item	152	-
PBT	4,737	3,518
Tax	1,461	1,187
PAT	3,276	2,331
Other Comprehensive Income	(6)	(35)
Total Comprehensive Income	3,270	2,296
Diluted EPS (₹)	6.52	4.64
As % of Sale		
Cost of materials	58.7%	60.1%
Employees benefits expenses	9.5%	9.8%
Other expenses	18.4%	18.1%
EBITDA	13.4%	12.0%
PBT	9.8%	8.3%
PAT	6.8%	5.5%

5. Business Developments

During the year work was carried out on several fronts, as under:-

- Rejuvenation of the marketing strategy on Rings which has resulted in a good response.
- Growth and stabilization of Curls and Cheese Balls launched in the previous year.

- iii) Improving and strengthening the distribution system through expanding the hub and spoke model, training of the field force and reorganizing market servicing to handle a larger portfolio of products.
- iv) Greater agility in responding to market conditions.
- v) Completion of the upgradation of the Ghaziabad line and the installation of a new frying line.
- vi) Launch of 2 new products – Fritts and Pasta Crunch.

Our initiatives for FY20 are as under:-

- i) Grow the sale of all existing products and stabilize the growth and sale of the newly launched ones.
- ii) Continue to focus on increasing the portfolio of products and innovate on new product development.
- iii) Continue to strengthen and improve the distribution system.
- iv) Develop sales in alternate channels like institutional and modern trade.
- v) Create fresh production capacity.

6. Opportunities & Threats

The continued growth of the economy, increasing disposable income, rapid urbanization and rising aspiration offers an immense opportunity for the healthy growth of the business.

In order to capture this growth efforts are to be made to continuously increase our product portfolio through new product innovation, marketing and strengthening and improving our distribution system and reach.

Some of the threats faced by the business are uncertain economic conditions and uncertainty in the price of raw materials.

7. Risks and concern

Risk relates to uncertainty about events and the possible outcomes that could have a material impact on performance

and future prospects of the Company. At DFM Foods, we have well-defined and integrated risk management policies that include a clear understanding of risk, evaluation of its impact on the business and taking appropriate actions to counter them. Senior management centrally devises the risk management approach, which is prudently cascaded down to managers at various organizational levels, helping the Company mitigate risks early on.

8. Outlook

The continued efforts to develop the business should stand it in good stead. However the economic conditions prevailing within the country have a significant role to play in the actual performance.

9. Internal controls and their adequacy

The Company has proper and adequate internal control systems to ensure that all the assets are safeguarded and that all transactions are authorized, recorded and reported correctly. Regular internal audits and checks are carried out to ensure that the responsibilities are executed effectively and that the systems are adequate. Management continuously reviews and strengthens the internal control systems and procedures to ensure the efficient conduct of business. The Audit Committee of the Board oversees the internal controls within the organization.

10. Human Resources

Our employees form the backbone of our organization. Your Company takes pride in the commitment, competence and dedication shown by its employees in all areas of operation. Industrial relations have remained harmonious throughout the year.

Your Company endeavors to follow best HR practices across all areas. These cover recruitment, induction, development and training and appraisal systems which are tied in with defined key result areas.

There were 530 employees on the rolls of the Company as on 31st March, 2019.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their report along with the audited accounts of the Company for the year ended 31st March, 2019.

Financial Results

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

	(₹ in Lakhs)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Revenue from operations	48,362	42,531
Profit before interest, financial expenses and depreciation	6,492	5,083
Other Income	510	434
Interest & financial expenses	1,063	1,002
Depreciation and amortization	1,050	997
Profit before exceptional items and tax	4,889	3,518
Exceptional items	152	-
Profit before tax	4,737	3,518
Tax expense	1,461	1,187
Profit after tax	3,276	2,331
Other Comprehensive Income (after tax)	(6)	(35)
Total Comprehensive Income (after tax)	3,270	2,296

Dividend Distribution Policy & Dividend

The Company has adopted Dividend Distribution Policy which is attached as Annexure – 1 and can also be accessed on the Company's website at <http://www.dfmfoods.com/download/corporate/dividend-distribution-policy.pdf>

Your Directors have recommended the payment of dividend of ₹ 1.25 per equity share of ₹ 2/- each for the financial year ended 31st March, 2019 amounting to ₹ 7.55 crores inclusive of dividend distribution tax of ₹ 1.29 crores. The dividend payment is subject to the approval of members at the ensuing Annual General Meeting. The dividend will be paid to members, whose names would appear on the Register of Members as on 26th July, 2019.

Transfer to Reserves

During the year under review, no amount is proposed to be transferred to General Reserves.

Operational Review and the State of Company's Affairs

The details on operational review and the state of Company's affairs are provided in the Management's Discussion and Analysis Report forming part of this Annual Report.

Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the corporate governance requirements set out by SEBI. The Report on

Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time forms an integral part of this Report. The requisite certificate from the auditors of the Company confirming compliance is attached to the Report on Corporate Governance.

Directors and Key Managerial Personnel

Directors

The Board at its meeting held on 8th February, 2019 re-appointed Mr. Mohit Jain as Managing Director for a period of five years w.e.f. 28th February, 2019 and Mr. Rohan Jain as Dy. Managing Director for a period of five years w.e.f. 1st June, 2019. The re-appointment of Mr. Mohit Jain and Mr. Rohan Jain as Managing Director and Dy. Managing Director respectively are subject to approval of Members at the Ensuing Annual General Meeting of the Company.

Mr. Mohit Jain retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment. His brief resume and other details are provided in the Notice of AGM and Report on Corporate Governance.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed both under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the current tenure of Mr. Pradeep Dinodia, Mr. Sarat Chandra Nanda and Mr. Mohit Satyanand, Independent Directors of the Company is going to conclude on 29th December, 2019.

The Board of Directors at their meeting held on 2nd May, 2019 on the basis of performance evaluation of the Independent Directors re-appointed the above Independent Directors on the Recommendation of Nomination & Remuneration Committee for a further period of five year w.e.f. 30th December, 2019.

The Re-appointment of the above Independent Directors for a further period of five years is subject to approval of Members at the ensuing Annual General Meeting.

The other details for the Independent Director's are provided in the Notice of AGM and Report on Corporate Governance.

Key Managerial Personnel

There has been no change in the Key Managerial Personnel of the Company during the year.

Policy on Directors appointment and Policy on Remuneration

The policy on appointment of Board members, including criteria for determining qualifications, positive attributes and independence of a Director and the policy on remuneration of Directors, KMP, Senior Management and other employees is attached as Annexure – 2. The details are put up on the website of the Company at the weblink <http://www.dfmfoods.com/download/corporate/Policy-for-Selection-of-Directors-and-determining-Directors-independence-and-remuneration-policy-for-Directors-KMP-Senior-Mangement-and-other-Employees.pdf>

The details of familiarization programmes for Independent Directors with the Company are put up on the website of the Company at the weblink <http://www.dfmfoods.com/download/investors/Familiarisation-Programme-detail.pdf>

Performance Evaluation of the Board, its Committees and Individual Directors

The Board in consultation with its Nomination & Remuneration Committee has implemented a formal process for the annual evaluation of the performance of its Board, its Committees and Individual Directors including Independent Directors. This process includes criteria for performance evaluation.

The annual performance evaluation has been carried out in accordance with the above for the year under review.

Particulars of Remuneration of Directors / KMP / Employees

The particulars of remuneration under Section 197(12) of the Companies Act, 2013 and Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as Annexure – 2A and Annexure – 2B.

Change in Capital Structure

The Shares of the Company have been Sub-divided from One Equity Share of face value of ₹ 10/- each to Five Equity Shares of the face value of ₹ 2/- each w.e.f. 1st November, 2018.

As on date, the Authorised Share Capital of the Company is ₹ 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 6,50,00,000 Equity Shares of ₹ 2/- each and 20,00,000 Cumulative Convertible Preference Shares of ₹ 10/- each carrying dividend @10% per annum.

The Issued and Paid-up equity share Capital of the Company is ₹ 10,02,16,760/- divided into 5,01,08,380 Equity Shares of face value of ₹ 2/- each.

The Company's shares are listed with BSE Ltd. and National Stock Exchange of India Ltd.

Employees Stock Option Scheme

During the year, 80,000 options of face value of ₹ 2/- each had been vested and 1,87,500 options of face value of ₹ 2/- each have been granted.

The Certificate from the Auditors of the Company stating that the Scheme has been implemented in accordance with the SEBI Guidelines and the resolution passed by the members would be placed at the Annual General Meeting for inspection by members.

During the year, there has been no change in the DFM Foods Employee Stock Option Plan-2014 of the Company.

The applicable disclosures as stipulated under the SEBI Guidelines as on 31st March, 2019 with regard to the DFM Foods Employee Stock Option Plan-2014 of the Company are available on the website of the Company at www.dfmfoods.com and web link for the same is <http://www.dfmfoods.com/download/corporate/ESOP.pdf>

Meetings of the Board

Four Board meetings were held during the year. For further details please refer to the Report on Corporate Governance which forms part of this Annual Report.

Directors Responsibility Statement

Your Directors state:

- That in the preparation of the annual accounts for the year ended 31st March, 2019 the applicable accounting standards have been followed and there are no material departures from the same;
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit of the Company for the year ended on that date;

- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That the Directors have prepared the annual accounts on a going concern basis;
- e) That the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Auditors and Auditors' Report

Statutory Auditor

M/s. Deloitte Haskins & Sells, (Firm Registration No. 015125N), Chartered Accountants had been re-appointed as statutory auditors of the Company from the conclusion of the 25th Annual General Meeting of the Company held on 6th August, 2018 till the conclusion of the 30th Annual General Meeting to be held in the year 2023.

The Auditors' Report on the financial statement of the Company for the year forms part of the Annual Report.

There has been no qualification, reservation, adverse remark or disclaimer by the Auditors in their Audit Report.

Secretarial Auditor

The Board had appointed Mrs. Sunita Mathur, Practicing Company Secretary, to conduct the Secretarial Audit for the Financial Year 2018-19. The Secretarial Audit Report is annexed as Annexure – 3. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Internal Financial Control System

The Directors have laid down internal financial controls to be followed by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and the completeness of the accounting records and the timely preparation of reliable financial information.

The Audit Committee evaluates the internal financial control system periodically and no reportable material weaknesses in the design or operation were observed during the year.

Risk Management

Your Directors continually evaluate the risks faced by the Company which could affect its business operations or threaten

its existence. The Company takes appropriate risk containment measures and manages the same on an ongoing basis.

Subsidiaries, Joint Ventures and Associate Companies

The Company does not have any subsidiary, Joint Ventures or Associate Company.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo are provided in Annexure - 4 to this Report.

Corporate Social Responsibility (CSR)

The Company has adopted a CSR Policy which can be accessed at the following weblink <http://www.dfmfoods.com/download/corporate/CSR-Policy.pdf>

The Company has spent above 2% of the average net profits of the Company during the three immediately preceding financial years. The details are provided in the Annual Report on CSR activities attached as Annexure – 5.

Extract of Annual Return

As per the requirements of Section 92(3) of the Companies Act and Rules framed thereunder, the extract of the Annual Return of the Company for the FY 2018-19 is provided in Annexure - 6. The same is available on the website of the Company at the following weblink <http://www.dfmfoods.com/investors-information.html/Annual-Return.pdf>

Particulars of loans and guarantees given, securities provided and investments made

The Company has neither given any loans or guarantees nor provided any securities covered under the provisions of Section 186 of the Companies Act, 2013.

Contracts and Agreements with Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the normal course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and at arm's length. All related party transactions are placed before the Audit Committee for review and approval.

The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link

<http://www.dfmfoods.com/download/corporate/policy-on-related-party-transactions-and-materiality-of-related-party-transactions.pdf>

Your Directors draw attention of the members to Note 31 to the financial statement which sets out related party disclosures.

DISCLOSURES

Audit Committee

The Audit Committee comprises of Independent Directors namely Mr. Pradeep Dinodia as Chairman, Mr. Mohit Satyanand, Mr. Sarat Chandra Nanda and Ms. Hiroo Mirchandani as members.

Public Deposits

During the year under review, your Company has not accepted any public deposits under Chapter V of the Companies Act, 2013.

Vigil Mechanism

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Employees may also report to the Chairman of the Audit Committee.

Cost Auditors

Provisions of Section 148 of the Companies Act, 2013 read with rules made under Companies (Cost Account and Audit) Rules, 2014 were not applicable on the Company. Hence Company has not appointed any Cost Auditor during the year.

Sexual Harassment

Your Directors state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has constituted Internal Complaints Committee under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and complied with other provisions of the said Act.

There were no reported instances of Sexual Harassment.

Secretarial Standards

The Company has complied with the applicable Secretarial Standards.

Significant and Material Orders passed by the Regulators / Courts / Tribunals

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Acknowledgement

Your Directors would like to place on record their sincere gratitude for the assistance and cooperation received from all the banks. They also wish to place on record their appreciation for the loyal and devoted services rendered by all categories of employees.

On behalf of the Board

Place: New Delhi
Dated: 2nd May, 2019

Mohit Jain
Chairman

ANNEXURE - 1 TO DIRECTORS' REPORT

Dividend Distribution Policy

1. Preamble

The Board of Directors of DFM Foods Ltd. has adopted the Dividend Distribution Policy of the Company in compliance with Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. Objective

The purpose of the Policy is to endeavor to strike a balance between the quantum of dividend distributed/declared and amount of profits retained in the business for various purposes.

3. Policy

The Board of Directors shall consider the factors provided in this Policy before determination of dividend payout:

a. Circumstances under which the shareholders may or may not expect dividend

The shareholders may not expect a dividend in the case of losses or inadequate profits.

b. Parameters / factors to be considered while declaring dividend

The Board shall consider the following factors in deciding the declaration of dividend:-

- i) The profits for the year
- ii) The debt servicing requirements and liquidity ratios

- iii) The dividend payouts of the past
- iv) Planned capital expenditure program
- v) Working capital requirements
- vi) Regulatory framework including tax regulations

c. Utilisation of retained earnings

The retained earnings will be utilized for the following:-

- Capital expenditure
- Debt servicing
- Improving the financial liquidity

d. Parameters adopted for declaration of dividend with regard to various classes of shares:

At present, the issued and paid-up share capital of the Company comprises of only Equity Shares.

As and when the Company issues other kind of shares, the Board and/or any Committee(s) may suitably amend this Policy.

4. Review of the Policy

This policy shall be subject to review by the Board as may be deemed necessary and in accordance with any regulatory amendments.

5. Dissemination of Policy

This Policy shall be hosted on the Company's website: www.dfmfoods.com

ANNEXURE - 2 TO DIRECTORS' REPORT

Policy for Selection of Directors and determining Directors independence and remuneration policy for Directors / Key Managerial Personnel / Senior Management and other Employees

Introduction

DFM Foods believes that the Board should be able to effectively develop a long term vision for the Company, provide guidance in effectively implementing its policies and managing operations efficiently and ensuring the compliance of all prevailing laws.

Further the Board constitution should ensure that its members have diversified expertise and experience so that the Board is able to discharge its duties and responsibilities effectively.

Policy for Selection of Directors

In evaluating the suitability of individual Board members, the Nomination & Remuneration Committee (NRC) may take into account factors, such as:

- Educational and professional background;
- General understanding of the Company's business dynamics;
- Standing in the profession;
- Personal and professional ethics, integrity and values; and
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

Criteria of Independence

- The NRC shall assess the independence of Directors at the time of appointment / re- appointment. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director;
- Independent Director shall also fulfill the criteria prescribed under Section 149 read with Schedule IV of the Companies Act, 2013 and under Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV of the Companies Act, 2013.

Remuneration Policy

Introduction

DFM Foods has developed its remuneration policy for Directors, Key Managerial Personnel, Senior Management and other employees on the following principles:-

- a) The remuneration should be at levels where it should be possible to attract, retain and motivate all personnel.

- b) The remuneration consists of both fixed and variable pay which is linked to the business objectives of the Company.
- c) Ensuring that the relationship between remuneration and performance is clear and measurable to the extent possible.

Remuneration to Non-Executive Directors

The remuneration to Non-Executive Directors is paid only in the form of sitting fees.

The Nomination and Remuneration Committee recommends the sitting fees to be paid for both the Board and Committees thereof after considering the provisions of the Companies Act, 2013 and prevailing corporate practices. Thereafter the Board approves the same.

Remuneration to Executive Directors and Key Managerial Personnel

The Board, on the recommendation of the Nomination and Remuneration Committee, reviews and approves the remuneration payable to the Executive Directors and Key Managerial Personnel.

The Board and NRC considers the provisions of the Companies Act, 2013, the limits approved by the shareholders and the individual and corporate performance in recommending and approving the remuneration to the Executive Directors and Key Managerial Personnel.

Remuneration to Senior Management

The Board, on the recommendation of the Nomination and Remuneration Committee, reviews and approves all remuneration, in whatever form, payable to Senior Management.

Remuneration to other Employees

Employees are assigned employment grades according to their qualifications, experience, competencies, role and responsibility in the organization.

Individual remuneration is determined within the grade and based on various factors such as job, profile, skill set, seniority, experience and prevailing remuneration levels for equivalent jobs.

ANNEXURE - 2A TO DIRECTORS' REPORT

Details Pertaining to Remuneration as required Under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 are as under:

Sl. No.	Name of Director / KMP and Designation	Remuneration of Director/ KMP for financial year 2018-19 (₹ In Lakhs)	% increase in Remuneration in the financial year 2018-19	Ratio of Remuneration of each Director/ to median remuneration of employees
1	Mr. Mohit Jain Chairman and Managing Director	237.79	49.94	86.84
2	Mr. Rohan Jain Deputy Managing Director	252.06	45.60	92.05
3	Mr. Pradeep Dinodia Independent Director	6.00	(29.41)	2.19
4	Mr. Sarat Chandra Nanda Independent Director	6.00	(20.00)	2.19
5	Mr. Mohit Satyanand Independent Director	10.50	(4.55)	3.83
6	Mr. Sandeep Singhal Non-Executive Director	N.A.	N.A.	NIL
7	Ms. Hiroo Mirchandani Independent Director	6.50	30.00	2.37
8	Mr. Davinder Dogra Chief Financial Officer	71.99	10.60	26.29
9	Mr. Raju Singh Tomer Company Secretary	24.77	20.00	9.05

(ii) The median remuneration of employees of the Company during the financial year was ₹ 2.74 lakhs;

(iii) In the financial year, there was an increase of 4.90% in the median remuneration of employees;

(iv) There were 530 permanent employees on the rolls of Company as on 31st March, 2019;

(v) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 was 7.43% whereas the increase in the managerial remuneration for the same financial year was 47.67%;

(vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

ANNEXURE - 2B TO DIRECTORS' REPORT

Pursuant to Section 197 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company:

Sl. No	Name	Designation	Remuneration (₹)	Qualifications	Experience (In years)	Date of commencement of employment	Age	Last employment	Percentage of equity shares held	Relationship with Directors
1	Jain Mohit	Chairman & Managing Director	2,37,79,690	B.A. Honours (Economics)	44	17.03.1993	64	The Delhi Flour Mills Co. Limited	1.71	Father of Mr. Rohan Jain, Dy. Managing Director
2	Jain Rohan	Dy. Managing Director	2,52,06,028	B.Sc. (Economics)	14	01.06.2009	36	The Delhi Flour Mills Co. Limited	0.19	Son of Mr. Mohit Jain, Chairman & Managing Director
3	Raina Rajiv	Executive Director	1,65,26,988	MBA	35	01.09.1995	59	The Delhi Flour Mills Co. Limited	0.20	N.A.
4	Bhambri Rajiv	Group Chief Financial Officer	1,30,17,540	B.SC., CA	30	01.04.2010	59	The Delhi Flour Mills Co. Ltd.	0.01	N.A.

TOP 10 EMPLOYEES

Sl. No	Name	Designation	Remuneration (₹)	Qualifications	Experience (In years)	Date of commencement of employment	Age	Last employment	Percentage of equity shares held	Relationship with Directors
1	Dogra Davinder	Chief Financial Officer	71,99,748	B.Com. (Hons.), CA	22	02.03.2015	46	DLF Ltd.	NIL	N.A.
2	Ranjan Rajeev	Director Sales	96,22,908	MMS	17	31.05.2016	42	Pernod Ricard India (P) Ltd.	0.00*	N.A.
3	Chaudhry Sameer	Chief Information Officer	59,34,216	MCA	24	05.04.2011	46	Ranbaxy Laboratories Ltd.	0.00*	N.A.
4	Chaturvedi Dhanesh Kumar	Group HR Head	49,09,932	MBA	30	14.05.2011	52	K.S.Oils Ltd.	NIL	N.A.
5	Matharoo Amrit Pal Singh	Deputy General Manager-North Zone II & Special Initiatives	52,54,296	B.A. & Diploma in Sales and Marketing	28	04.06.2012	50	Dabur India Ltd.	NIL	N.A.
6	Rangra Rajesh	Deputy General Manager - Purchase	48,27,384	B.E. (Chemical)	27	01.12.2012	47	Pepsico India Holdings Pvt. Ltd. (Frito Lays)	0.00*	N.A.
7	Jain Anoop	General Manager-Manufacturing	58,23,504	Diploma in Mech. Engineering	26	07.12.1998	49	Flex Industries Ltd.	NIL	N.A.
8	Kumar Deepak	Zonal Sales Manager	43,67,436	B.Com.	19	27.09.2016	40	Kellogg India Pvt. Ltd.	NIL	N.A.
9	Chauhan Singh Siddharth	Regional Sales Manager (U.P. & Uttrakhand)	34,87,545	M.B.A. (Marketing)	15	24.11.2016	40	Assam Agrotech Pvt. Ltd.	NIL	N.A.
10	Chauhan Mamta	Asstt. General Manager - Accounts	33,16,057	CA	15	25.05.2011	39	ICICI BANK LTD.	0.00*	N.A.

Note: Employment of all the above mentioned persons is contractual in nature.

*The percentage is negligible

ANNEXURE - 3 TO DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

CIN: L15311DL1993PLC052624

To
The Members
DFM FOODS LIMITED
8377, ROSHANARA ROAD
DELHI-110007

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by DFM Foods Ltd. (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information, confirmation provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company DFM Foods Limited for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made under the Act;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made under the Act;
- (iii) The Depositories Act, 2018 and the Regulations and Bye-laws framed under the Act;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made under the Act to the extent applicable to Overseas Direct Investment (ODI),

Foreign Direct investment (FDI) and External Commercial Borrowings (ECB).

- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
 - i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

j) and other applicable laws specifically applicable to the Industry to which the Company belongs, as identified by the Management, that is to say:

- Food Safety and Standards Act, 2006, Rules and Regulations
- Legal Metrology Act, 2009

I have also examined compliance with the applicable clauses of the following:

- I) Secretarial Standards issued by The Institute of Company Secretaries of India.
- II) Listing Agreement entered into by the Company with BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

During the period under review the Company has complied with the applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, Listing Agreement etc. mentioned above.

I further report that

The Board of Directors is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director and Independent Directors.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and Detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the year, 80,000 options of face value of ₹ 2/- each had been vested and 1,87,500 options of face value of ₹ 2/- each have been granted.

Sunita Mathur

Company Secretary in Practice

FCS No.: 1743

C P No.: 741

Place: New Delhi

Dated: 2nd May, 2019

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members
DFM FOODS LIMITED
8377, ROSHANARA ROAD
DELHI-110007

Our report of even date for the audit period covering the financial year ended on 31st March, 2019 is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sunita Mathur
Company Secretary in Practice
FCS No.: 1743
C P No.: 741

Place: New Delhi
Dated: 2nd May, 2019

ANNEXURE - 4 TO DIRECTORS' REPORT

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A) Conservation of Energy:

- (i) The steps taken or impact on conservation of energy:
- Upgradation of the old Mapimpianti extrusion line has reduced both electricity and gas consumption.
 - Commissioning of 2 Batch fryers using PNG as fuel has reduced fuel consumption.
 - Use of energy efficient LED lights.
- (ii) The steps taken by the Company for utilizing alternate sources of energy:
- Investigations are being made to use solar energy in the Greater Noida factory.
- (iii) The capital investment on energy conservation equipments:
- The capital investment on energy conservation formed part of the capital expenditure incurred.

B) Technology Absorption:

- (i) The efforts made towards technology absorption:
- a) Increase in output rate of two products on the production line.

- b) Enhancement of speed of some packing machines.
- c) Indigenous development of critical imported spares.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:
- a) Increased throughput of two products has resulted in better capital utilization.
- b) Enhancement of speed of packing machines has also resulted in better capital utilization.
- c) The indigenous development of critical imported spares has resulted in savings of cost and foreign exchange.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):
- Not Applicable
- (iv) The expenditure incurred on Research and Development:
- As Research & Development is part of the ongoing quality control and manufacturing costs, the expenditure is not separately allocated and identified.

C) Foreign Exchange Earnings and Outgo:

	(₹ in Lakhs)
Foreign Exchange earned in terms of actual inflows	NIL
Foreign Exchange outgo in terms of actual outflows (Accrual Basis)	1,763

ANNEXURE – 5 TO DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2018-19

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The CSR policy of the Company can be accessed at www.dfmfoods.com/download/corporate/CSR-Policy.pdf The projects undertaken under the policy are listed below.
2.	The Composition of the CSR Committee.	Mr. Mohit Jain, Chairman; Mr. Mohit Satyanand, Member; and Mr. Sarat Chandra Nanda, Member
3.	Average net profit of the Company for last three financial years	₹ 2,970.00 Lakhs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	₹ 59.39 Lakhs
5.	Details of CSR spent during the financial year:-	
	a. Total amount to be spent for the financial year;	₹ 60.00 Lakhs
	b. Amount unspent, if any;	Not Applicable
	c. Manner in which the amount spent during the financial year	Details given below

Sl. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹)	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads (₹)	Cumulative expenditure up to the reporting period (₹)	Amount spent: Direct or through implementing agency
i	Rural Development Project	Eradicating Hunger, poverty and malnutrition	Odisha - Sundergarh, Deogarh & Sambalpur Distt.	15.00 Lakhs	(1) 15.00 Lakhs (2) Nil	15.00 Lakhs	Through Implementing agency – Atmashakti Trust*
ii	Promoting education and healthcare	Education	Chattisgarh – Raigarh Distt.	10.00 Lakhs	(1) 10.00 Lakhs (2) Nil	10.00 Lakhs	Through Implementing agency – Tapaswini Nav Sadhna**
iii	Promoting education	Education	Uttar Pradesh - Bijnor	30.00 Lakhs	(1) 30.00 Lakhs (2) Nil	30.00 Lakhs	Through Implementing agency - Shri Vardhaman Educational Society***
iv.	Disaster Relief	Providing healthcare and medical treatment to the people affected by Natural calamities	Kerala	5.00 Lakhs	(1) 5.00 Lakhs (2) Nil	5.00 Lakhs	Through – Government of Kerala, Chief Minister's Distress Relief Fund (CMDRF)****
			Total	60.00 Lakhs	60.00 Lakhs	60.00 Lakhs	

*Atmashakti Trust is a Registered Trust, which was established in 1995 to support development initiatives in rural areas as well as urban slums.

** Tapaswini Nav Sadhna is a Registered Society, which was established in 2006 for providing education, health facilities and vocational training to uplift the poor.

*** Shri Vardhaman Educational Society is a Registered Society, which was established in the year 1960 to promote education by establishing school/ colleges etc.

****CMDRF is an emergency assistance scheme for granting relief and medical treatment to deserving families and individuals affected by natural calamities in Kerala.

6.	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.	Not Applicable
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Responsibility Statement:

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

(Mohit Jain)

Managing Director and Chairman of CSR Committee

ANNEXURE – 6 TO DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

i.	CIN	L15311DL1993PLC052624
ii.	Registration Date	17 th March, 1993
iii.	Name of the Company	DFM Foods Limited
iv.	Category / Sub-Category of the Company	Public Company / Limited by shares
v.	Address of the Registered office and contact details	8377, Roshanara Road, Delhi-110007 Tel. No.: +91-11-23826445 Fax No.: +91-11-23822409
vi.	Whether listed company Yes / No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited F-65, 1 st Floor, Okhla Indl. Area, Phase – I, New Delhi -110020 Tel. No.: +91-11-41406149 Fax No.: +91-11-41709881

II. Principal Business Activities of the Company :

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the Company
1.	Extruded snack foods & Namkeen	1079	100%

III. Particulars of Holding, Subsidiary and Associate Companies:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
N.A.					

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year#
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	573194	-	573194	5.72	2865970	-	2865970	5.72	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	3261676	-	3261676	32.55	16308380	-	16308380	32.55	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	3834870	-	3834870	38.27	19174350	-	19174350	38.27	-
(2) Foreign									
a) NRIs –Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	3834870	-	3834870	38.27	19174350	-	19174350	38.27	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	200	200	0.00	-	1000	1000	0.00	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs / FPI	1159405	-	1159405	11.56	5590370	-	5590370	11.16	-0.41
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Mutual Fund Foreign)	500397	-	500397	5.00	2136458	-	2136458	4.26	-0.73
Sub-total (B)(1):-	1659802	200	1660002	16.56	7726828	1000	7727828	15.42	-1.14
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	73235	5000	78235	0.78	587424	500	587924	1.17	0.39
ii) Overseas	1496951	-	1496951	14.94	7484755	-	7484755	14.94	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	833220	271347	1104567	11.02	4405576	1002805	5408381	10.79	-0.23
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	1646259	-	1646259	16.43	8537875	-	8537875	17.04	0.61
c) Others (specify)									
(i) NRI	123162	-	123162	1.23	702427	-	702427	1.40	0.17
(ii) IEPF	77630	-	77630	0.77	484840	-	484840	0.97	0.20
Sub-total (B)(2):-	4250457	276347	4526804	45.17	22202897	1003305	23206202	46.31	1.14
Total Public Shareholding (B)=(B)(1)+(B)(2)	5910259	276547	6186806	61.73	29929725	1004305	30934030	61.73	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	9745129	276547	10021676	100.00	49104075	1004305	50108380	100.00	-

During the year ended 31st March, 2019, the Shares of the Company are Sub-divided from one equity share of face value of ₹ 10/- each to five equity shares of face value of ₹ 2/- each.

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Share holding during the year#
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1.	Mohit Jain	170725	1.71	-	853625	1.71	-	-
2.	Rohan Jain	19200	0.19	-	96000	0.19	-	-
3.	Rashad Jain	6400	0.06	-	32000	0.06	-	-
4.	Surekha Jain	376869	3.76	-	1884345	3.76	-	-
5.	The Delhi Flour Mills Co. Ltd.	3261676	32.55	-	16308380	32.55	-	-
	Total	3834870	38.27	-	19174350	38.27	-	-

During the year ended 31st March, 2019, the Shares of the Company are Sub-divided from one equity share of face value of ₹ 10/- each to five equity shares of face value of ₹ 2/- each.

iii) Change in Promoters' Shareholding

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company#
At the beginning of the year	3834870	38.27		
Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	#		#	
At the end of the year	19174350	38.27	19174350	38.27

There is no change in Shareholding of the Promoters, the Shares of the Promoters increased due to Sub-Division of Equity Shares from one equity share of face value of ₹ 10/- each to five equity shares of face value of ₹ 2/- each.

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No of Shares at the Beginning (01-04-18) /end of the Year (31-03-19)	% of total Shares of the Company				Shares	% of total Shares of the Company
1	Westbridge Crossover Fund, LLC	1495251	14.92	01-04-2018				
				09-11-2018	5981004	Sub-Division	7476255	14.92
		7476255	14.92	31-03-2019			7476255	14.92
2	HSBC Bank (Mauritius) Ltd. A/C Jwalamukhi Investment Holdings	995166	9.93	01-04-2018				
				09-11-2018	3980664	Sub-Division	4975830	9.93
		4975830	9.93	31-03-2019			4975830	9.93
3	Man Mohan Singh	949975	9.48	01-04-2018				
				05-04-2018	-1684	Transfer	948291	9.46
				11-04-2018	-1801	Transfer	946490	9.44
				18-04-2018	-100	Transfer	946390	9.44
				25-04-2018	-4403	Transfer	941987	9.40
				01-06-2018	-678	Transfer	941309	9.39
				08-06-2018	-126	Transfer	941183	9.39
				15-06-2018	-608	Transfer	940575	9.39
				22-06-2018	-185	Transfer	940390	9.38
				31-08-2018	-856	Transfer	939534	9.38
				07-09-2018	-1980	Transfer	937554	9.36
		26-10-2018	-256	Transfer	937298	9.35		
		02-11-2018	10000	Transfer	947298	9.45		
		02-11-2018	-10000	Transfer	937298	9.35		
		09-11-2018	3749192	Sub-Division	4686490	9.35		
		11-01-2019	-5990	Transfer	4680500	9.34		

Sl. No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No of Shares at the Beginning (01-04-18) /end of the Year (31-03-19)	% of total Shares of the Company				Shares	% of total Shares of the Company
				18-01-2019	-1500	Transfer	4679000	9.34
				25-01-2019	-516	Transfer	4678484	9.34
				01-02-2019	-3984	Transfer	4674500	9.33
				08-02-2019	-3000	Transfer	4671500	9.32
				15-02-2019	-5088	Transfer	4666412	9.31
				22-02-2019	-3913	Transfer	4662499	9.30
				01-03-2019	-15000	Transfer	4647499	9.27
				08-03-2019	-999	Transfer	4646500	9.27
				15-03-2019	-5167	Transfer	4641333	9.26
				22-03-2019	-7829	Transfer	4633504	9.25
		4633504	9.25	31-03-2019			4633504	9.25
4	Anuradha Sharma	321070	3.20	01-04-2018				
				27-04-2018	315	Transfer	321385	3.21
				04-05-2018	585	Transfer	321970	3.21
				11-05-2018	300	Transfer	322270	3.22
				18-05-2018	-136520	Transfer	185750	1.85
				18-05-2018	136520	Transfer	322270	3.22
				25-05-2018	-80	Transfer	322190	3.21
				25-05-2018	80	Transfer	322270	3.22
				08-06-2018	220	Transfer	322490	3.22
				29-06-2018	100	Transfer	322590	3.22
				06-07-2018	126	Transfer	322716	3.22
				13-07-2018	1359	Transfer	324075	3.23
				20-07-2018	415	Transfer	324490	3.24
				27-07-2018	670	Transfer	325160	3.24
				03-08-2018	700	Transfer	325860	3.25
				10-08-2018	830	Transfer	326690	3.26
				12-10-2018	123	Transfer	326813	3.26
				19-10-2018	367	Transfer	327180	3.26
				02-11-2018	1086	Transfer	328266	3.28
				09-11-2018	1313064	Sub-Division	1641330	3.28
				22-03-2019	1120	Transfer	1642450	3.28
		1642450	3.28	31-03-2019			1642450	3.28
5	Ashish Kacholia	96074	0.96	01-04-2018				
				10-08-2018	233	Transfer	96307	0.96
				17-08-2018	8004	Transfer	104311	1.04
				24-08-2018	4123	Transfer	108434	1.08
				05-10-2018	303	Transfer	108737	1.09
				12-10-2018	697	Transfer	109434	1.09
				09-11-2018	437736	Sub-Division	547170	1.09
				15-02-2019	360581	Transfer	907751	1.81
				22-02-2019	16419	Transfer	924170	1.84
				01-03-2019	24596	Transfer	948766	1.89
		948766	1.89	31-03-2019			948766	1.89
6	Kiran Navinchandra Asher	34000	0.34	01-04-2018				
				05-04-2018	-16	Transfer	33984	0.34
				13-07-2018	16	Transfer	34000	0.34
				09-11-2018	136000	Sub-Division	170000	0.34
		170000	0.34	31-03-2019			170000	0.34

Sl. No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No of Shares at the Beginning (01-04-18) /end of the Year (31-03-19)	% of total Shares of the Company				Shares	% of total Shares of the Company
7	Sunil Rungta	45695	0.46	01-04-2018				
				08-06-2018	1647	Transfer	47342	0.47
				29-06-2018	853	Transfer	48195	0.48
				27-07-2018	500	Transfer	48695	0.49
				24-08-2018	-488	Transfer	48207	0.48
				09-11-2018	192828	Sub-Division	241035	0.48
				21-12-2018	15000	Transfer	256035	0.51
				18-01-2019	2206	Transfer	258241	0.52
				25-01-2019	1794	Transfer	260035	0.52
		260035	0.52	31-03-2019			260035	0.52
8	Mirae Asset Emerging Bluechip Fund	366698	3.66	01-04-2018				
				11-05-2018	-966	Transfer	365732	3.64
				10-08-2018	-832	Transfer	364900	3.64
				09-11-2018	1459600	Sub-Division	1824500	3.64
				25-01-2019	-116537	Transfer	1707963	3.41
				01-02-2019	-192941	Transfer	1515022	3.02
		1515022	3.02	31-03-2019			1515022	3.02
9	Vanaja Sundar Iyer	100000	1.00	01-04-2018				
				09-11-2018	400000	Sub-Division	500000	1.00
		500000	1.00	31-03-2019			500000	1.00
10	Mirae Asset India Small-Mid Cap Focus Equity Master Investment Trust	86847	0.87	01-04-2018				
				09-11-2018	347388	Sub-Division	434235	0.87
		434235	0.87	31-03-2019			434235	0.87
11	Investor Education and Protection Fund	77630	0.77	01-04-2018				
				27-07-2018	-100	Transfer	77530	0.77
				04-10-2018	19438	Transfer	96968	0.96
				09-11-2018	387872	Sub-Division	484840	0.97
		484840	0.97	31-03-2019			484840	0.97
12	Mirae Asset Tax Saver Fund	63699	0.64	01-04-2018				
				09-11-2018	254796	Sub-Division	318495	0.64
				08-02-2019	-47059	Transfer	271436	0.54
		271436	0.54	31-03-2019			271436	0.54

v) Shareholding of Directors and Key Managerial Personnel:#

Sl. No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of Shares at the beginning (01-04-18) / end of the year (31-03-19)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
A	Directors:							
1	Mr. Mohit Jain Chairman & Managing Director	170725	1.71	01-04-18				
				09-11-18	682900	Sub-Division	853625	1.71
		853625	1.71	31-03-19			853625	1.71
2	Mr. Rohan Jain Dy. Managing Director	19200	0.19	01-04-18				
				09-11-18	76800	Sub-Division	96000	0.19
		96000	0.19	31-03-19			96000	0.19

Sl. No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of Shares at the beginning (01-04-18) / end of the year (31-03-19)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
3	Mr. Sarat Chandra Nanda Independent Director	2800	0.03	01-04-18				
				09-11-18	11200	Sub-Division	14000	0.03
		14000	0.03	31-03-19			14000	0.03
4	Mr. Pradeep Dinodia Independent Director	10200	0.10	01-04-18				
				09-11-18	40800	Sub-Division	51000	0.10
		51000	0.10	31-03-19			51000	0.10
5	Mr. Mohit Satyanand Independent Director	43619	0.44	01-04-18				
				09-11-18	174476	Sub-Division	218095	0.44
		218095	0.44	31-03-19			218095	0.44
6	Mr. Sandeep Singhal Director	0	0	01-04-18	0	Nil Holding / movement during the year		
		0	0	31-03-19			0	0
7	Ms. Hiroo Mirchandani Independent Director	0	0	01-04-18	0	Nil Holding / movement during the year		
		0	0	31-03-19			0	0
B	Key Managerial Personnel (KMP's):							
8	Mr. Davinder Dogra Chief Financial Officer	0	0	01-04-18	0	Nil Holding / movement during the year		
		0	0	31-03-19			0	0
9	Mr. Raju Singh Tomer Company Secretary	0	0	01-04-18	0	Nil Holding / movement during the year		
		0	0	31-03-19			0	0

#The shareholding of Directors increased due to Sub-Division of Equity Shares from one equity share of face value of ₹ 10/- each to five equity shares of face value of ₹ 2/- each.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	(₹ in Lakhs)			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	9,613	-	-	9,613
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	16	-	-	16
Total (i+ii+iii)	9,629	-	-	9,629
Change in Indebtedness during the financial year				
• Addition	1,016	-	-	1,016
• Reduction	862	-	-	862
Net Change	154	-	-	154
Indebtedness at the end of the financial year				
i) Principal Amount	9,767	-	-	9,767
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	32	-	-	32
Total (i+ii+iii)	9,799	-	-	9,799

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Mohit Jain Managing Director	Mr. Rohan Jain Dy. Managing Director	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	66,00,000	78,00,000	1,44,00,000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	39,79,914	34,10,874	73,90,788
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	1,31,99,776	1,39,95,154	2,71,94,930
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	2,37,79,690	2,52,06,028	4,89,85,718
	Ceiling as per the Act	5,04,12,056		

B. Remuneration to other Directors:

(In ₹)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Pradeep Dinodia	Mr. Sarat Chandra Nanda	Mr. Mohit Satyanand	Ms. Hiroo Mirchandani	
	• Fee for attending Board / Committee meetings	6,00,000	6,00,000	10,50,000	6,50,000	29,00,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	6,00,000	6,00,000	10,50,000	6,50,000	29,00,000
	Other Non-Executive Directors	Mr. Sandeep Singhal				
	• Fee for attending Board / Committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	6,00,000	6,00,000	10,50,000	6,50,000	29,00,000
	Total Managerial Remuneration	4,89,85,718				
	Overall Ceiling as per the Act	5,54,53,262				

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD:

(In ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Davinder Dogra C.F.O.	Mr. Raju Singh Tomer Company Secretary	Total
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	71,99,748	24,77,256	96,77,004
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	71,99,748	24,77,256	96,77,004

VII. Penalties / Punishment/ Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details)
A.	COMPANY				
	Penalty				
	Punishment				
	Compounding				
B.	DIRECTORS				
	Penalty				
	Punishment				
	Compounding				
C.	OTHER OFFICERS IN DEFAULT				
	Penalty				
	Punishment				
	Compounding				

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy On Corporate Governance

Corporate Governance is a set of systems and practices for the ethical conduct of business of the Company. It ensures accountability, transparency, equity and commitment to values to meet its stakeholder's aspirations.

In DFM Foods, we strongly believe that Corporate Governance is an approach to succeed, stimulate growth and a catalyst in the process towards creating long-term value.

The Company endeavors to attain the best practices in Corporate Governance. All major corporate decisions are taken by the Company's Board in conjunction with a competent management team, keeping in view the best interest of all its stakeholders. It is committed to apply the best management practices, become proactively compliant with the applicable legal requirements and adhere to ethical standards to improve sustainable development of all stakeholders.

We are committed to continuously strengthen Corporate Governance practices.

Governance Structure

The Company's shareholders appoint the Board of Directors which governs the Company. In order to realise the business vision of the Company the Board lays down the business strategy and various policies, system & procedures to be followed by the Company.

The Board has established 6 Committees to discharge its responsibilities in an effective manner. The Company Secretary acts as a Secretary to the Board and to all its Committees.

The Chairman & Managing Director is responsible for providing overall direction and guidance to the Board, operational management and Company functioning and is assisted by the

Dy. Managing Director and a core group of senior managers in the discharge of his duties.

We believe that the Board of Directors should have a balanced mix of Executive and Non-Executive and Independent Directors for the efficient governing of the Company. Furthermore, the Board members should bring in diversified experience, skills and expertise in different areas of business so that they collectively provide leadership and guidance to the Company.

Governance Policies

At DFM Foods, we adhere to highest levels of ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore various codes and policies have been laid down to achieve these objectives. Some of these are as under:-

- Development of business strategy
- Operational review and control
- Risk assessment
- Legal compliance
- Code of Conduct
- Code of Conduct for prohibition of insider trading
- Vigil mechanism / whistle blower policy
- Policy on related party transactions
- Corporate Social Responsibility policy
- Policies for selection of Directors and determining Directors independence
- Remuneration policies for Directors, key managerial personnel, senior management and other employees
- Policies for shareholders communication

2. Board of Directors

Board composition and particulars of Directors

The Board of Directors of the Company has an optimum combination of Executive and Non-executive Directors who have in depth knowledge of business, in addition to the expertise in their areas of specialization.

The Board consists of 7 Directors of whom 2 are Whole-time Directors.

The composition of the Board as on 31st March, 2019 is as follows:

Name of Director	Category	Directorship in other Companies	Chairmanship/ Membership in specified Committees#
Mr. Mohit Jain, Chairman & Managing Director	Promoter & Executive Director	3	-
Mr. Rohan Jain, Dy. Managing Director	Promoter & Executive Director	2	-
Mr. Pradeep Dinodia	Non-Executive Independent Director	5	7
Mr. S.C. Nanda	Non-Executive Independent Director	1	1
Mr. Mohit Satyanand	Non-Executive Independent Director	9	1
Mr. Sandeep Singhal	Non-Executive Director	5	-
Ms. Hiroo Mirchandani	Non-Executive Independent Director	5	4

In accordance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Membership/ Chairmanship of only Audit Committee and Stakeholders' Relationship Committee in all Public Limited Companies (excluding DFM Foods Limited) have been considered.

Profile of the Board members:

A brief resume of all the Directors, nature of their expertise and names of the other Companies in which they hold Directorships, Memberships / Chairmanships of Board / Committees are provided at the end of the report.

Selection of Independent Directors

Keeping in view that the Board has diversified expertise and experience to provide leadership and guidance to the Company, eminent persons having a standing in their respective field / profession are considered by the Nomination and Remuneration Committee for appointment as Independent Directors on the Board. The Committee, inter-alia, considers educational and professional background, area of expertise, personal and professional ethics, integrity and values and Directorships of other companies of such person for selection of Directors and determining Directors

independence. The Board considers the recommendation by the Committee and takes appropriate decision.

Familiarization Program for Directors

The Board members, at the time of their appointment, are provided with necessary documents, reports, internal policies and other corporate presentations to familiarize them with the Company's procedures and practices. Further, they are also made aware of their roles, rights and responsibilities.

Periodic presentations are made at the Board / Committee meetings on the strategy, operations and functions of the Company along with relevant statutory changes in relations thereto.

The details of such familiarization program for Independent Directors are posted on the website of the Company and can be accessed at <http://www.dfmfoods.com/download/investors/Familiarisation-Programme-Detail-for-FY-2018-19.pdf>

Chart of – Skills/expertise/competence of Directors

The skills and expertise of Directors are given below:

Sl. No.	Name of Director	Skills/ Expertise
1.	Mr. Mohit Jain	Mr. Mohit Jain is a Promoter Director of the Company and he looks after day to day Management of the Company. He has Intimate knowledge of flour milling and snack food Industry.
2.	Mr. Rohan Jain	Mr. Rohan Jain has experience and expertise in the area of Managing the overall business affairs of the Company with particular reference to sales, marketing and new product development.
3.	Mr. Pradeep Dinodia	Mr. Pradeep Dinodia is an expert in the matters of Tax Litigation, Accounting, Succession Planning and Corporate Governance.
4.	Mr. Mohit Satyanand	Mr. Mohit Satyanand is an entrepreneur, advisor and advises Company w.r.t. Sales and Marketing strategy. He has indepth knowledge of Snack Food Business.
5.	Mr. S.C. Nanda	Mr. S.C.Nanda is a renowned practicing Advocate with more than 40 years of legal experience. He is an expert in handling advisory work in real estate matters, joint venture collaborations Including foreign collaborations, international Business transaction etc.
6.	Mr. Sandeep Singhal	Mr. Sandeep Singhal is a co-founder of WestBridge Capital and has close to two decades of public and private investing experience in India. He has deep insight on product market strategies and new product development.
7.	Ms. Hiroo Mirchandani	Ms. Hiroo Mirchandani has experience in Profit & Loss management across diverse industries. She also brings consumer insights and financial literacy combined with an ability to raise strategic issues from her diverse operational experience.

Board / Committee Meetings and Procedures

The Board meets at least once in a quarter to review the quarterly results and other items of the agenda.

The Board is given presentations covering finance, sales, marketing, operations including business opportunities / strategy and corporate affairs of the Company.

The information regularly provided to the Board includes:

1. Annual operating plans and budgets and any updates.
2. Capital budgets and any updates.
3. Quarterly results for the Company and its operating divisions or business segments.
4. Minutes of meetings of audit committee and other committees of the Board.
5. The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
6. Show cause, demand, prosecution notices and penalty notices, if any, which are materially important.
7. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
8. Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
9. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
10. Details of any joint venture or collaboration agreement.
11. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
12. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
13. Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business.
14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
15. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

16. Information about the business risk involved/ assessment and measures to address and minimize such risks and any limitations to the risk by laying down minimization procedures.

Board material distributed in advance

The agenda for each Board meeting is circulated in advance to the Board members. All material information is incorporated in the agenda facilitating meaningful and focused discussions at the meeting.

Post meeting follow-up mechanism

The important decisions taken at the Board/ Committee(s) meetings are promptly communicated to the concerned departments. Action taken report on the decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/ Committee(s) for information and review by the Board / Committee(s).

Number of Board Meetings held, the dates on which held and attendance thereat

4 Board meetings were held during the year 2018-19 on 25th May, 2018, 6th August, 2018, 13th November, 2018 and 8th February, 2019.

Attendance details of each Director at the Board meetings and the last A.G.M.:-

Name of Director	No. of Board meetings attended	Attendance at the last A.G.M.
Mr. Mohit Jain	4	Yes
Mr. Rohan Jain	4	Yes
Mr. Pradeep Dinodia	3	Yes
Mr. S.C. Nanda	3	Yes
Mr. Mohit Satyanand	4	Yes
Mr. Sandeep Singhal	2	No
Ms. Hiroo Mirchandani	4	No

Re-appointment of Directors

Mr. Mohit Jain shall retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Further, Mr. Mohit Jain has been re-appointed as Managing Director for a period of five years w.e.f. 28th February, 2019 and Mr. Rohan Jain as Dy. Managing Director for a period of five years w.e.f. 1st June, 2019. The re-appointment of Mr. Mohit Jain and Mr. Rohan Jain as Managing Director and Dy. Managing Director respectively are subject to approval of shareholders.

Further, the current tenure of Mr. Pradeep Dinodia, Mr. Sarat Chandra Nanda & Mr. Mohit Satyanand, Independent Directors of the Company is going to end on 29th December, 2019.

Further, Mr. Pradeep Dinodia, Mr. Sarat Chandra Nanda & Mr. Mohit Satyanand, Independent Directors of the Company have been re-appointed as Independent Directors for a second term of five years commencing from 30th December, 2019.

The re-appointment of all the Independent Directors for a further period of five years is subject to approval of Shareholders at the ensuing Annual General Meeting.

The details and profile of aforesaid Directors seeking re-appointment are furnished in this report.

Board Committees

Details of the Committees of the Board and other related information are provided hereunder:

(i) Audit Committee

Composition: The Audit Committee of the Board comprises four Independent Directors namely Mr. Pradeep Dinodia (Chairman), Mr. S.C. Nanda, Mr. Mohit Satyanand and Ms. Hiroo Mirchandani.

Terms of Reference: The terms of reference of this Committee cover the matters specified for it under the Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 read with rules made thereunder:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of the Audit Committee

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditors and Internal Auditors and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement
 - b. Changes, if any, in accounting policies and practices and reasons for the same

- c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. modified opinion(s) in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
 7. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
 8. Reviewing, the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 9. Discussion with internal auditors of any significant findings and follow up thereon.
 10. Reviewing, the findings of any internal investigations, if any, by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 12. To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non-payment of declared dividends) and creditors.
 13. To review the functioning of the Whistle Blower mechanism.
 14. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.

15. Scrutiny of inter-corporate loans and investments.
16. Valuation of undertakings or assets of the Company, wherever it is necessary.
17. Evaluation of internal financial controls and risk management systems.
18. To provide adequate safeguards against victimisation of Employees / Directors who avail of the vigil mechanism.
19. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
20. Approval or any subsequent modification of transactions of the Company with related parties.
21. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

Apart from above, the Committee also reviews other matters as may be required to be reviewed by the Audit Committee under the Listing Agreement and other laws, rules and regulations.

Meetings and attendance thereat

4 meetings of the Audit Committee were held during the year 2018-19 on 25th May, 2018, 6th August, 2018, 13th November, 2018 and 8th February, 2019.

Attendance details

Name of Director	No. of meetings attended
Mr. Pradeep Dinodia	3
Mr. S.C. Nanda	3
Mr. Mohit Satyanand	4
Ms. Hiroo Mirchandani	4

The Chairman of the Audit Committee was present at the last Annual General Meeting.

(ii) Operations Committee

Composition: The Operations Committee of the Board comprises of Mr. Mohit Jain (Chairman) and Mr. Rohan Jain.

Terms of Reference

1. Review and approve banking arrangements and cash managements.
2. To borrow monies by way of loan(s) for the purpose of capital expenditure, general corporate purposes including working capital requirements within the limit approved by the Board.
3. Invest funds of the Company in short term deposits / otherwise within the limits approved by the Board.
4. Review and approve statutory compliances.
5. Review and authorize all matters relating to operations including statutory permissions, registrations etc.

Meetings and attendance thereat

5 meetings of the Operations Committee were held during the year 2018-19 on 18th April, 2018, 4th June, 2018, 27th July, 2018, 25th October, 2018 and 24th January, 2019.

Attendance details

Name of the Committee Member	No. of meetings attended
Mr. Mohit Jain	5
Mr. Rohan Jain	5

(iii) Nomination & Remuneration Committee (Compensation Committee)

Composition: The Nomination & Remuneration Committee (Compensation Committee) of the Board comprises of four Directors namely Mr. Mohit Satyanand (Chairman), Mr. Pradeep Dinodia, Mr. Mohit Jain and Mr. Sandeep Singhal.

Terms of Reference:

1. Identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
2. Formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees, ensuring that:
 - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
 - (b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) the remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
3. The Nomination & Remuneration Committee of the Board also reviews the performance of the functioning of the Board its Board Committees and every Director based on the feedback of each individual Directors and submits the same to the Chairman of the Board for further action.

This Committee also acts as the Compensation Committee under the provision of SEBI (Share Based Employee Benefits) Regulations, 2014.

Meetings and attendance thereat

2 meetings of the Nomination & Remuneration Committee were held during the year 2018-19 on 23rd November, 2018 & 8th February, 2019.

Attendance details

Name of the Committee Member	No. of meetings attended
Mr. Mohit Satyanand	2
Mr. Pradeep Dinodia	2
Mr. Sandeep Singhal	1
Mr. Mohit Jain	2

(iv) Stakeholders' Relationship Committee

Composition: The Stakeholders' Relationship Committee comprises of three members Mr. Mohit Satyanand (Chairman), Mr. Mohit Jain and Mr. Rohan Jain.

The Board at its meeting held on 13th November, 2018 inducted Mr. Rohan Jain as Member of the Committee.

Further, the Board in its meeting held on 13th November, 2018 has amended the terms of reference to align with the amendments made in the SEBI (LODR) Regulations. The amended terms of reference are stated as under:

Terms of Reference:

1. Redressal of the shareholders / Investors complaints in respect of any matter.
2. Monitoring the implementations and compliances of the Company's Code of Conduct for prevention of Insider Trading.
3. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
4. Review of measures taken for effective exercise of voting rights by shareholders.
5. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
6. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Meetings and attendance thereat

4 meetings of the Stakeholders' Relationship Committee were held during the year 2018-19 on 16th April, 2018, 25th July, 2018, 20th October, 2018 and 22nd January, 2019.

Attendance details

Name of the Committee Member	No. of meetings attended
Mr. Mohit Satyanand	4
Mr. Mohit Jain	4
Mr. Rohan Jain*	1

*Mr. Rohan Jain was inducted as member of the Committee w.e.f. 13th November, 2018.

Investor Grievance Redressal: During the year 2018-19, the Company received 9 complaints through website of SEBI Complaints Redress System (SCORES) and the same were resolved.

No request for share transfers received was pending beyond the normal service time of a fortnight from the date of receipt of duly completed documents required to effect the transfer.

Compliance Officer: Mr. Raju Singh Tomer, Company Secretary

(v) Corporate Social Responsibility Committee

Composition: The Corporate Social Responsibility Committee comprises of three members - Mr. Mohit Jain (Chairman), Mr. Mohit Satyanand and Mr. S. C. Nanda.

Terms of Reference: The terms of reference of this Committee includes:

- a. Formulating a CSR policy as per Schedule VII of the Companies Act, 2013 and recommending the same to the Board;
- b. Recommending the amount of expenditure to be incurred on the social activities; and
- c. Monitoring the CSR policy of the Company.

Meetings and attendance thereat

2 meeting of the Corporate Social Responsibility Committee were held during the year 2018-19 on 24th September, 2018 and 19th February, 2019.

Attendance details

Name of the Committee Member	No. of meetings attended
Mr. Mohit Jain	2
Mr. Mohit Satyanand	2
Mr. S. C. Nanda	2

(vi) Share Allotment Committee

Composition: The Share Allotment Committee comprises of two members - Mr. Mohit Jain (Chairman) and Mr. Rohan Jain.

Terms of Reference: The terms of reference of this Committee includes to approve and allot shares upon exercise of option by grantee(s) under ESOP Plan.

Meetings and attendance thereat

No meeting of Share Allotment Committee was held during the year 2018-19.

Independent Directors meeting

Apart from the above, a meeting of Independent Directors was held on 8th February, 2019 in which all Independent Directors, Mr. Pradeep Dinodia, Mr. S. C. Nanda, Mr. Mohit Satyanand and Ms. Hiroo Mirchandani were present

Procedure at Committee Meetings

The guidelines relating to Board meetings are applicable to Committee meetings as far as may be practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its work. Minutes of the proceedings of the Committee meetings are placed before the Board meeting for perusal and noting.

Directors' Remuneration

Remuneration policy

The Company's Remuneration Policy for Directors, Key Managerial Personnel, Senior management and other employees is annexed as Annexure-2 to the Directors' Report. Further, the Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors.

The Company's remuneration policy is directed towards rewarding achievements based on review of individual and corporate performance periodically.

Details of remuneration and other terms of appointment of Directors:

Non-Executive Directors are being paid sitting fee only within the limits prescribed under the Companies Act, 2013.

Details of remuneration paid to the Directors during the year 2018-19:

(₹ in Lakhs)

	Salary, allowances & perquisites	Commission	Sitting fee for attending Board/ Committee meetings
Whole Time Directors			
Mr. Mohit Jain	105.80	132.00	-
Mr. Rohan Jain	112.11	139.95	-
Non-Executive Directors			
Mr. Pradeep Dinodia	-	-	6.00
Mr. S.C. Nanda	-	-	6.00
Mr. Mohit Satyanand	-	-	10.50
Mr. Sandeep Singhal	-	-	-
Ms. Hiroo Mirchandani	-	-	6.50

Note:-

- The service contracts with the Managing Director and Dy. Managing Director, who are the Whole Time Directors, are for a period of 5 years.
- Mr. Sandeep Singhal has waived his right of receipt of sitting fees.
- The Company does not have any direct pecuniary relationship/transaction with any of its Non-executive Directors. However, a sum of ₹ 7.08 Lakhs has been paid to S.R. Dinodia & Co., LLP in which Mr. Pradeep Dinodia is a Partner and ₹ 5.00 Lakhs to Magic Mountain Retreat Private Ltd. in which Mr. Mohit Satyanand is a Director towards fees for legal services and management consultancy services and ₹ 0.97 Lakh to Mr. S.C.Nanda towards fees for professional services respectively during the financial year 2018-19. The above payments do not affect independence of either Mr. Pradeep Dinodia or Mr. Mohit Satyanand or Mr. S.C.Nanda as the same are not material.

Code of Conduct

The Board of Directors has adopted the Code of Conduct for Board Members and Senior Management team. The said code has also been displayed on the Company's website: www.dfmfoods.com

All Board members and senior management personnel have confirmed compliance with the Code for the year 2018-19. A declaration to this effect signed by the Managing Director of the Company is provided elsewhere in the Annual Report.

Insider Trading- Code of Conduct

Pursuant to amendment in SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has amended its existing 'Code of Conduct' for prevention of insider trading. The code is applicable to all Insiders and Designated Persons including Promoters, Member of Promoter Group, Directors, Designated employees and other connected persons who are expected to have access to unpublished price sensitive information relating to the Company.

3. General Body Meetings

The date, time and venue of the General Meetings held during the preceding 3 years and the Special Resolution(s) passed thereat are as follows:

A. Annual General Meeting:

Date of A.G.M.	Time	Venue	Special Resolution
1 st August, 2016	10.00 A.M.	Air force Auditorium, Subroto Park, New Delhi - 110010	- Revision of remuneration of Mr. Mohit Jain, Managing Director - Revision of remuneration of Mr. Rohan Jain, Dy. Managing Director
9 th August, 2017	10.00 A.M.	-Do-	-
6 th August, 2018	10.00 A.M.	-Do-	-

B. Extra Ordinary General Meeting:

There was no Extra Ordinary General Meeting held during the financial year 2018-19.

C. Special Resolution(s) passed through Postal Ballot

During the year ended 31st March, 2019, no special resolution has been passed through postal ballot.

Further, none of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot.

4. Disclosures

- Disclosure on materially significant related party transactions that may have potential conflict with the interest of Company at large.	There were no materially significant related party transactions. All the related party transactions were at arm's length basis and are not in conflict with the interest of the Company. Attention is drawn to the disclosure of related party transactions set out in Note 31 to the financial statements. The policy on dealing with related party transactions can be accessed at: http://www.dfmfoods.com/download/corporate/policy-on-related-party-transactions-and-materiality-of-related-party-transactions.pdf
- Details of non-compliance by the Company, Penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.	There has been no instance of non-compliance by the Company on any matter related to capital markets during the last 3 years.
- Whistle Blower / Vigil Mechanism policy	The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting any illegal or unethical behaviour. The Company has a Whistle blower policy (Vigil Mechanism) under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Employees may also report to the Chairman of the Audit Committee, in certain circumstances. During the year under review, no employee was denied access to the Audit Committee.

5. Adoption of Mandatory and Non-Mandatory Requirements

The Company has complied with all mandatory requirements and has adopted following non-mandatory requirements in terms of Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Shareholders Rights

The Clause states that half yearly declaration of financial performance including summary of the significant events in the last 6 months, may be sent to each shareholder.

Company's Quarterly / Half yearly results are published in a leading daily English newspaper and a local language newspaper and also displayed on the Company's website www.dfmfoods.com

Reporting of Internal Auditors

The Internal Auditor directly reports to the Audit Committee.

Audit Qualification

The Company is in the regime of unqualified financial statements.

6. Means of Communication

- (a) **Quarterly Results:** Quarterly Results of the Company are released to the Stock Exchanges and published in 'Financial Express' and 'Jansatta' and are displayed on the Company's website www.dfmfoods.com
- (b) **News Releases, Presentations etc.:** Official announcements and other general information are displayed on the Company's website www.dfmfoods.com, Official Media Releases are sent to the Stock Exchanges.
- (c) **Website:** The Company's website www.dfmfoods.com contains an exclusive section on 'Investors' which enables them to access information such as quarterly / half yearly / annual financial statements, shareholding patterns and releases in downloadable format as a measure of added convenience.
- (d) **Annual Report:** Annual Report containing, inter-alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto.

The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report.

The Annual Report of the Company is also available on the website in a user-friendly and downloadable form.

- (e) **SEBI Complaints Redress System (SCORES):** SCORES is a web based complaint redress system. Action Taken Reports

(ATRs) on the investor complaint(s) are uploaded on the SCORES for online viewing by investors of actions taken on the complaint by the Company and its current status.

- (f) **BSE Corporate Compliance & Listing Centre (LISTING CENTRE) and National Stock Exchange of India Ltd. NEAPS (NSE Electronic Application Processing System):** The Listing Centre of BSE and NEAPS of NSE are web based application designed by BSE and NSE for corporates respectively. All periodical compliance filings like shareholding pattern, corporate governance report, media releases etc. are also filed electronically on the Listing Centre and NEAPS.
- (g) **Designated Exclusive email-id:** The Company has a designated email-id: cs@dfmgroup.in and arjun.sahu@dfmgroup.in for investor servicing.

7. General Shareholder Information

Company Registration Details

The Company is registered in the State of Delhi, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L15311DL1993PLC052624.

Annual General Meeting

Day	Tuesday
Date	13 th August, 2019
Time	10.00 A.M.
Venue	Airforce Auditorium, Subroto Park, New Delhi – 110 010

Financial Calendar (tentative)

Financial Year : 1st April, 2019 to 31st March, 2020

Results for the quarter ending:

30 th June, 2019	– First week of August, 2019
30 th September, 2019	– Second week of November, 2019
31 st December, 2019	– Second week of February, 2020
31 st March, 2020	– Fourth week of May, 2020

Annual General Meeting – August, 2020

Date of Book Closure

Saturday, 27th July, 2019 to Tuesday, 13th August, 2019 (both days inclusive)

Dividend Payment

Credit /dispatch between 14th August, 2019 and 23rd August, 2019 subject to the approval of shareholders.

Listing on Stock Exchanges

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers,

Dalal Street, Fort,

Mumbai - 400 001

Scrip Code : 519588

National Stock Exchange of India Ltd. (NSE)

Plot C-1, G-Block,

Bandra Kurla Complex,

Bandra (East),

Mumbai - 400051

Symbol : DFMFOODS

ISIN : INE456C01020

Payment of Listing Fees: Annual listing fee for the year 2019-20 (as applicable) has been paid by the Company to BSE and NSE.

Payment of Depository Fees: Annual custody / Issuer fee for the year 2019-20 will be paid to CDSL and to NSDL.

Market Price data and stock performance in the last financial year:**BSE Monthly High and Lows**

Month	High (₹)	Low (₹)
April'18	306.94	263.00
May'18	309.00	251.00
June'18	279.00	226.22
July'18	258.00	215.69
August'18	281.40	210.00
September'18	263.77	215.40
October'18	256.80	200.00
November'18	299.00	209.05
December'18	243.85	201.05
January'19	217.50	188.20
February'19	229.70	176.55
March'19	258.00	200.15

Market Price data and stock performance in the last financial year:**NSE Monthly High and Lows**

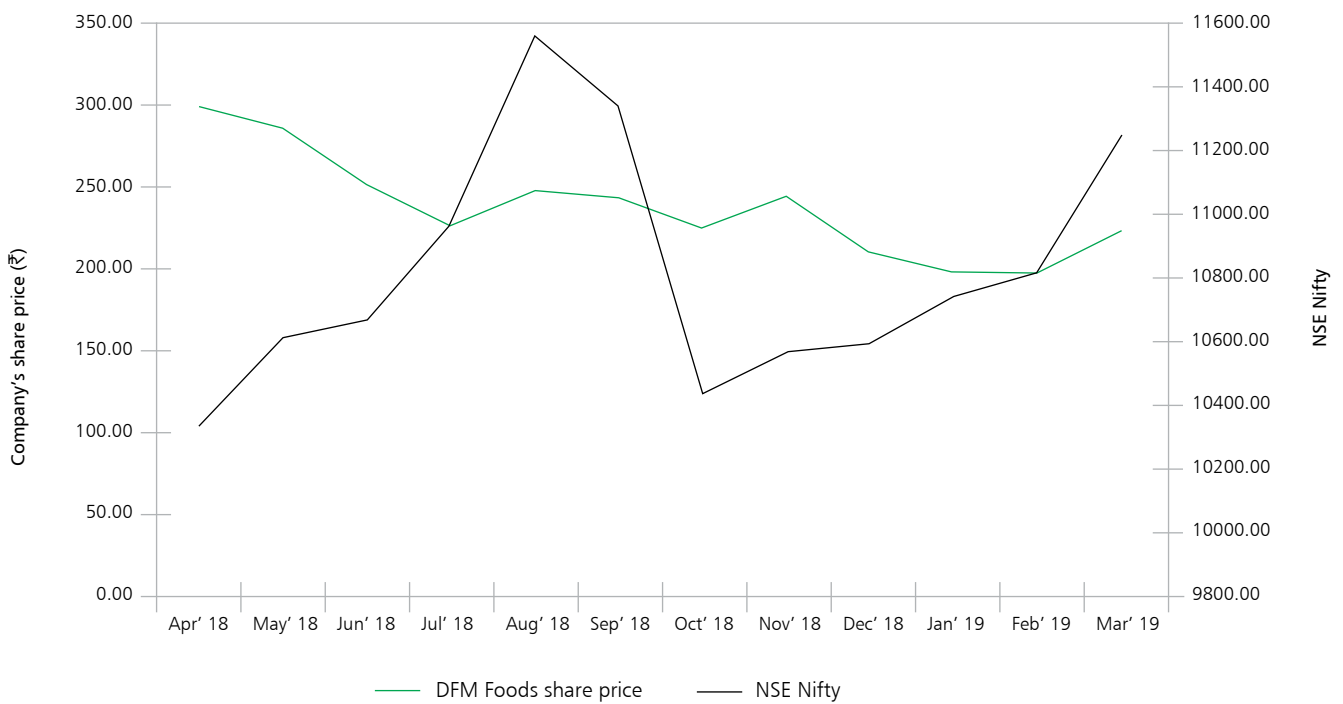
Month	High (₹)	Low (₹)
April'18	304.58	279.97
May'18	308.00	252.30
June'18	270.00	232.00
July'18	248.98	210.00
August'18	279.54	216.02
September'18	269.80	218.00
October'18	251.80	204.21
November'18	275.00	215.00
December'18	230.15	200.00
January'19	217.00	192.05
February'19	229.05	178.85
March'19	254.00	199.25

Note: The shareholders have approved the sub-division of the Company's equity shares of face value of ₹ 10/- each into five equity shares of face value of ₹ 2/- each through postal ballot on 10th October, 2018. Pursuant to this high and low figures upto October, 2018 has been adjusted to reflect the sub-division of face value of equity shares of the Company.

Stock Performance vis-a-vis BSE Sensex



Stock Performance vis-a-vis NSE Nifty



- Registrar and Transfer Agent** : M/s. MCS Share Transfer Agent Ltd.
F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020
- Share transfer system** : All the transfers and dematerialization received are processed and approved every fortnight.

Distribution of shareholding as on 31st March, 2019

Range (in Shares)		No. of Shareholder	No. of Shares	% to total capital
From	To			
0	500	4895	12,00,341	2.39
501	1000	481	4,24,083	0.85
1001	2000	312	4,79,488	0.96
2001	3000	104	2,64,085	0.53
3001	4000	39	1,37,268	0.27
4001	5000	54	2,56,805	0.51
5001	10000	80	5,87,148	1.17
10001	and above	146	4,67,59,162	93.32
	Total	6111	5,01,08,380	100.00

Shareholding pattern as on 31st March, 2019

Sl. No.	Category	No of Shares held	%
1	Shareholding of Promoter and Promoter Group	1,91,74,350	38.27
2	Public shareholding		
A	Institutions		
(a)	Mutual Funds	1,000	0.00
(b)	Foreign Institutional Investor / FPI	55,90,370	11.16
(c)	Others Mutual Funds	21,36,458	4.26
	Sub-Total (A)	77,27,828	15.42
B	Non-institutions		
(a)	Bodies Corporates	5,87,924	1.17
(b)	Individuals	1,39,46,256	27.83
(c)	NRIs	7,02,427	1.40
(d)	Foreign Companies	74,84,755	14.94
(e)	IEPF	4,84,840	0.97
	Sub-Total (B)	2,32,06,202	46.31
	GRAND TOTAL	5,01,08,380	100.00

Dematerialization of shares and liquidity	: As on 31 st March, 2019, 98.00% of the total paid - up equity shares of the Company have been dematerialized by the shareholders. The number of beneficiaries as on 31 st March, 2019 is 4568. During the year, 3.97 Lakhs shares were traded on Bombay Stock Exchange with a total value of ₹ 14.98 Crores. Further, 20.18 Lakhs shares were traded on NSE with a total value of ₹ 73.80 Crores till 31 st March, 2019.
Outstanding GDRs/ADRs/ warrants or any convertible instruments, Conversion date and likely impact on equity	: None issued/ outstanding
Commodity price risk or Foreign exchange risk and Hedging activities	: In order to mitigate the foreign exchange risk related to financing of imports, the Company enters into forward exchange contracts for the same.
Exposure of the Company to Commodity and Commodity Risks faced by the Company throughout the year	: The Company has adequate risk assessment and minimization system in place including for Commodities. The Company does not have material exposure of any commodity and accordingly no hedging activities for the same are carried out. Therefore, there is no disclosure required in terms of SEBI Circular No. SEBI/ HO /CFD/ CMD1/ CIR/ P/ 2018 /0000000141 dated 15 th November, 2018.
Plant locations	: The plants of the Company are located at: 1. C - 40, Site III, Meerut Road Industrial Area, Ghaziabad (U.P.) - 201003 2. Plot Nos. 49,50,53 & 54, Ecotech - I, Extn., Greater Noida, Distt. Gautam Budh Nagar (U.P.) – 201306
Address for correspondence	: Shareholders correspondence may be addressed to: 1. M/s. MCS Share Transfer Agent Ltd. F-65, 1 st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 2. The Company Secretary DFM Foods Ltd. 8377, Roshanara Road, Delhi-110007
Transfer of shares/ unclaimed amounts to Investor Education and Protection Fund (IEPF)	: During the financial year 2018-19, the Company has transferred those shares to the IEPF Authority in respect of which dividend had remained unpaid or unclaimed since 2010-11. Further, the investors are advised to claim the un-encashed dividends lying in the unpaid dividend account of the company as indicated in the Notes to the Notice and before the same becomes due for crediting to the Investor Education and Protection Fund.

8. Sexual Harassment

Your Directors state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Disclosures pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are as follows:

Number of Complaints filed during the year ended 31 st March, 2019	: NIL
No. of Complaints disposed of during the year ended 31 st March, 2019	: NIL
No. of Complaints pending as on year ended 31 st March, 2019	: NIL

9. Certificate of Practising Company Secretary

The Company has received a certificate from M/s Pradeep Debnath & Co., Practicing Company Secretaries, confirming compliance that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority as stipulated in point no. 10(i) of part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

10. Compliance Certificate of the Auditors

Certificate from the Auditors of the Company, M/s. Deloitte Haskins & Sells, confirming compliance with the conditions of Corporate Governance as stipulated in part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the Directors' Report forming part of the Annual Report.

11. CEO and CFO Certification

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) read with part B of schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. They also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

12. Board Certification

The Independent Directors of the Company have given Annual Declaration of being Independent under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Based on the same the Board of Directors is of the opinion that the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

13. Profile of Board of Directors

Mr. Mohit Jain, Chairman & Managing Director

Mr. Mohit Jain has been the Managing Director of the Company since 28th February, 1994 and was also appointed as Chairman of the Company w.e.f. 27th January, 2014.

Mr. Mohit Jain is a promoter Director of the Company and the Chairman & Managing Director of the promoter Company The Delhi Flour Mills Co. Ltd. He joined The Delhi Flour Mills Co. Ltd. in 1975 and has been involved in the flour milling industry since then, he had the pivotal role in establishing the snack food division of the Company in 1984 and has been involved in its development since then. He has intimate knowledge of both the flour milling and snack food industry.

Other Information:

1. Date of Birth : 3rd September, 1955
2. Date of Joining : 17th March, 1993
the Company
3. Qualification : B.A. Honors (Economics)
4. Remuneration : given in "Details of remuneration and other terms of appointment of Directors" section.
5. Functional Area : Intimate knowledge of both the flour milling and snack food industry.

Other Directorships:

Sl. No.	Name of the Company	Company Category	Designation/ Category
1.	The Delhi Flour Mills Co. Ltd	Unlisted Public Ltd.	Chairman & Managing Director/Executive Director
2.	Jain Farms and Industries Pvt. Ltd	Pvt. Ltd.	Director/ Non-Executive Director
3.	Ravi Mohit Enterprises Pvt. Ltd	Pvt. Ltd.	Director/ Non-Executive Director

Membership of specified Committees:

Sl. No.	Name of the Company	Name of the Committee	Designation
1.	The Delhi Flour Mills Co. Ltd.	Operations Committee	Chairman
		Nomination and Remuneration Committee	Member

Disclosure of Relationship:

Mr. Mohit Jain is the father of Mr. Rohan Jain, Dy. Managing Director of the Company.

Shareholding:

He holds 8,53,625 shares of the Company as on 31st March, 2019.

Mr. Rohan Jain, Dy. Managing Director

Mr. Rohan Jain is the Dy. Managing Director of DFM Foods Ltd. He graduated with B.Sc. in Economics with concentration in Finance from the Wharton School, University of Pennsylvania, U.S.A. in May, 2005.

After completing his studies, he had joined the 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 had been providing assistance in managing the sales and marketing affairs of the snack food business of the Company since 2005. 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.

He has been the Executive Director of the Company since 1st June, 2009, and was redesignated as Dy Managing Director w.e.f. 22nd January, 2015.

Other Information:

1. Date of Birth : 23rd June, 1983
2. Date of Joining : 1st June, 2009
the Company
3. Qualification : B.Sc. in Economics with Concentration in Finance from Wharton School, University of Pennsylvania
4. Remuneration : given in "Details of remuneration and other terms of appointment of Directors" section.
5. Functional Area : He has developed the necessary experience and expertise in the area of Managing the overall business affairs of the Company with particular reference to sales, marketing and new product development.

Other Directorships:

Sl. No.	Name of the Company	Company Category	Designation/ Category
1.	Jain Farms and Industries Private Limited	Pvt. Ltd.	Director/ Non-Executive Director
2.	Ravi Mohit Enterprises Pvt. Ltd.	Pvt. Ltd.	Director/ Non-Executive Director

Membership of specified Committees:

- NIL -

Disclosure of Relationship:

Mr. Rohan Jain is the son of Mr. Mohit Jain, Chairman & Managing Director of the Company.

Shareholding:

He holds 96,000 shares of the Company as on 31st March, 2019.

Mr. Pradeep Dinodia, Non-Executive Independent Director

Mr. Pradeep Dinodia graduated in Economics with Honours from St. Stephens College, Delhi University and obtained his Law Degree from the same University. He is a Fellow Member of The Institute of Chartered Accountants of India and Chairman and Managing Partner in the Delhi-based Chartered Accountancy firm M/s. S.R. Dinodia & Co., LLP.

He is Chairman of Shriram Pistons & Rings Limited and Director in Hero MotoCorp Limited and Hero FinCorp Limited. He is an Independent Director of, DCM Shriram Limited and JK Lakshmi Cement Limited. He has co-authored a book "Transfer Pricing Demystified".

He is Chairman of Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee of DCM Shriram Limited.

He is Chairman of Risk Management Committee and CSR Committee of Shriram Pistons & Rings Limited.

He is Chairman of Stakeholders Relationship Committee and IT Strategic Committee of Hero Fincorp Limited.

He has been on the Board of the Company since 8th March, 1994.

Other Information:

1. Date of Birth : 2nd December, 1953
2. Date of Joining : 8th March, 1994
the Company
3. Qualification : LL.B. and FCA
4. Remuneration : given in "Details of remuneration and other terms of appointment of Directors" section.
5. Functional Area : He is an expert in the matters of Tax Litigation, Accounting, Succession Planning, Corporate Governance and has co-authored a book "Transfer Pricing Demystified".

Other Directorships:

Sl. No.	Name of the Company	Company Category	Designation/ Category
1.	Shriram Pistons & Rings Ltd.	Listed Public Co.	Chairman / Non-Executive Director
2.	DCM Shriram Ltd.	Listed Public Co.	Independent Director
3.	Hero MotoCorp Ltd.	Listed Public Co.	Independent Director
4.	JK Lakshmi Cement Ltd.	Listed Public Co.	Independent Director
5.	Hero Fincorp Ltd.	Unlisted Public Co.	Independent Director

Membership of specified Committees:

Sl. No.	Name of the Company	Name of the Committee	Designation
1.	DCM Shriram Ltd.	Stakeholders' Relationship Committee	Chairman
		Nomination & Remuneration Committee	Chairman
		Audit Committee	Chairman
2.	Hero MotoCorp Ltd.	Audit Committee	Chairman
		CSR Committee	Member

Sl. No.	Name of the Company	Name of the Committee	Designation
		Nomination & Remuneration Committee	Member
		Risk Management Committee	Member
3.	Shriram Pistons & Rings Ltd.	Audit Committee	Member
		Nomination & Remuneration Committee	Member
		Stakeholders' Relationship Committee	Member
		Risk Management Committee	Chairman
		CSR Committee	Chairman
4.	JK Lakshmi Cement Ltd.	CSR Committee	Member
5.	Hero FinCorp Ltd.	Stakeholders' Relationship Committee	Chairman
		IT Strategic Committee	Chairman
		Audit Committee	Member
		Risk Management Committee	Member
		Nomination & Remuneration Committee	Member
		CSR Committee	Member
		Asset Liability Management Committee	Member

Disclosure of Relationship:

Mr. Pradeep Dinodia is not related to any other Director(s) of the Company.

Shareholding:

He holds 51,000 shares of the Company as on 31st March, 2019.

Mr. S.C. Nanda, Non-Executive Independent Director

Mr. S.C. Nanda is a renowned practicing Advocate with more than 40 years of legal experience. In 1977, he joined Khaitan & Co. a renowned Solicitors Firm in Delhi and during his tenure handled the litigation work in the various High Courts and

the Supreme Court. Subsequently he has started doing more of non-litigation and advisory work in real estate matters, joint venture collaborations including foreign collaborations, international business transaction etc.

He has been on the Board since 8th March, 1994.

Other Information:

1. Date of Birth : 4th October, 1952
2. Date of Joining : 8th March, 1994
the Company
3. Qualification : LL.B. and M.Sc.
4. Remuneration : given in "Details of remuneration and other terms of appointment of Directors" section.
5. Functional Area : He is an expert in handling advisory work in real estate matters, joint venture collaborations Including foreign collaborations, international Business transaction etc.

Other Directorships:

Sl. No.	Name of the Company	Company Category	Designation/ Category
1.	The Delhi Flour Mills Co. Ltd.	Unlisted Public Co.	Independent Director

Membership of specified Committees:

Sl. No.	Name of the Company	Name of the Committee	Designation
1.	The Delhi Flour Mills Co. Ltd	Audit Committee	Member
		Nomination and Remuneration Committee	Chairman

Disclosure of Relationship:

Mr. S.C. Nanda is not related to any other Director(s) of the Company.

Shareholding:

He holds 14,000 shares of the Company as on 31st March, 2019.

Mr. Mohit Satyanand, Non-Executive Independent Director

Mr. Mohit Satyanand is an entrepreneur and advisor. He started his career with Hindustan Lever Ltd. in 1977 and served them as an Area Sales Manager (Foods) till 1981. Then he joined The Delhi Flour Mills Co. Ltd., where he was instrumental in establishing the snack food business - which is now owned by DFM Foods Ltd. He is a founder and Chairman of Teamwork Arts Pvt. Ltd. Also, he is a Promoter Director of Inlingua, New Delhi, a leader in language training.

He now supports start-up companies through investment and mentoring.

He has been on the Board since 29th January, 2000.

Other Information:

1. Date of Birth : 10th July, 1956
2. Date of Joining : 29th January, 2000
the Company
3. Qualification : B.A. Hons. Economics and M.A
Economics.
4. Remuneration : given in "Details of remuneration
and other terms of appointment of
Directors" section.
5. Functional Area : He is an entrepreneur and advisor. he
is a Promoter Director of Inlingua, New
Delhi, a leader in language training.
He now supports start-up companies
through investment and mentoring.

Other Directorships:

Sl. No.	Name of the Company	Company Category	Designation/ Category
1.	Team Work Films Pvt. Ltd.	Pvt. Co.	Chairman
2.	Amrit Learning Ltd.	Unlisted Public Co.	Director
3.	Amrit Corp. Ltd.	Listed Co.	Director
4.	Magic Mountain Retreat Pvt. Ltd.	Pvt. Co.	Director
5.	Teamwork Arts Pvt. Ltd.	Pvt. Co.	Director
6.	Medhavi Professional Services Pvt. Ltd.	Pvt. Co.	Director
7.	Transformative Learning Solutions Pvt. Ltd.	Pvt. Co.	Director
8.	Eagle Peak Intel Pvt. Ltd.	Pvt. Co.	Additional Director
9.	Teamwork Live Entertainment Pvt. Ltd.	Pvt. Co.	Director

Membership of specified Committees:

Sl. No.	Name of the Company	Name of the Committee	Designation
1.	Amrit Corp. Ltd.	Audit Committee	Member
		Nomination and Remuneration Committee	Chairman

Disclosure of Relationship:

Mr. Mohit Satyanand is not related to any other Director(s) of the Company.

Shareholding:

He holds 2,18,095 shares of the Company as on 31st March, 2019.

Mr. Sandeep Singhal, Non-Executive Director

Mr. Sandeep Singhal is a co-founder of WestBridge Capital and has close to two decades of public and private investing experience in India.

He also co-founded and was Managing Director of Sequoia Capital India. He has previously worked with The Boston Consulting Group at their Mumbai office, where he focused on advising mid-market consumer and pharmaceutical companies on product market strategies. He started his career with Hindustan Unilever Limited (then HLL), where he headed new product development for 'Surf' and 'Rin', two of their largest consumer franchises.

He is currently a member on the Board of DFM Foods Limited (NSE: DFMFOODS), Vini Cosmetics Private Limited, Enrich Hair And Skin Solutions Private Limited, G S E-Commerce Private Limited, WestBridge Capital India Advisors Private Limited and Mountain Managers Private Limited. He has previously served on the Boards of several listed public companies that include Dr. Lal Pathlabs (NSE: LALPATHLAB), Kajaria Ceramics Limited (NSE: KAJARIACER), Just Dial Limited (NSE: JUSTDIAL), eClerx Services Limited (NSE: ECLERX) and led significant investments in Info Edge Limited (NSE: NAUKRI), Cera Sanitaryware Limited (NSE: CERA) and Ceat Limited (NSE: CEATLTD). He has also served on the Boards of various private companies that include Nazara Technologies, Applabs Technologies (acquired by CSC), MarketRx Inc. (acquired by Cognizant), What's on Media India (acquired by Tribune Digital Ventures), Mauj Mobile, People Interactive (Shaadi.com), GVK Biosciences, Stovekraft, Strand Life Sciences, Just Dial Global, Celon Laboratories, Carzonrent India, Reamatrix Inc. and led the investment in Interactive Avenues (acquired by IPG Mediabrand).

He holds an MBA with distinction from IIM Ahmedabad, an MS in Chemical Engineering from the University of Illinois where he was awarded the Abraham Lincoln Fellowship and a B. Tech. in Chemical Engineering from IIT Delhi.

He has been on the Board of DFM Foods Limited since 30th January, 2014.

Other Information:

1. Date of Birth : 31st December, 1969
2. Date of Joining : 30th January, 2014
the Company
3. Qualification : B. Tech. from IIT-D, MS in Chemical
Engineering from University of Illinois
& MBA from IIM-A.
4. Remuneration : given in "Details of remuneration
and other terms of appointment of
Directors" section.
5. Functional Area : He is a co-founder of WestBridge
Capital and has close to two decades
of public and private investing
experience in India.

Other Directorships:

Sl. No.	Name of the Company	Company Category	Designation/Category
1.	WestBridge Capital India Advisors Pvt. Ltd.	Pvt. Co.	Managing Director/Executive
2.	Vini Cosmetics Pvt. Ltd.	Pvt. Co.	Nominee Director
3.	WestBridge Capital Management, LLC	Foreign Co.	Director
4.	Mountain Managers Pvt. Ltd.	Pvt. Co.	Director/Non Executive
5.	GS E-Commerce Pvt. Ltd.	Pvt. Co.	Nominee Director
6.	Enrich Hair and Skin Solutions Pvt. Ltd.	Pvt. Co.	Nominee Director

Membership of specified Committees:

- NIL -

Disclosure of Relationship:

Mr. Sandeep Singhal is not related to any other Director(s) of the Company.

Shareholding:

He holds NIL shares of the Company as on 31st March, 2019.

Ms. Hiroo Mirchandani , Non-Executive Independent Director

Ms. Mirchandani is an Independent Director on Boards in Mumbai and Delhi. Her Management Career of over thirty years has been in customer facing roles where she grew from Branch Manager to Business Unit Director. She has experience in Profit & Loss management across diverse industries and has built great brands in healthcare, consumer goods, telecom and paints.

She is an Independent Director on several Boards including DFM Foods Ltd., Nilkamal Ltd. and Polycab India Ltd. She is a former Shareholder Director of Punjab National Bank. She brings consumer insights and financial literacy combined with an ability to raise strategic issues from her diverse operational experience and innate curiosity. She has a keen interest in the financial markets from her experience as a retail investor.

She was Business Unit Director of the Consumer Health Products Division at Pfizer with India wide responsibility of revenue and profits. She shaped her division and Company's

growth and talent strategy along with driving operational excellence. Prior to that she has held leadership positions at Dabur, World Gold Council and BPL Mobile. She was Branch Manager at Asian Paints, with responsibility of sales, collections and warehouse operations based in Rajkot. These experiences have enriched her with unique insights of consumer and supply chain dynamics in 'middle' and rural India.

Ms. Mirchandani is a Chevening Gurukul scholar and has studied Leadership and Globalization at the London School of Economics. She is a graduate from Shri Ram College of Commerce and an MBA in Marketing and Finance from the Faculty of Management Studies, Delhi.

She has been on the Board since 30th March, 2015.

Other Information:

1. Date of Birth : 17th June, 1961
2. Date of Joining : 30th March, 2015
the Company
3. Qualification : MBA in marketing and Finance from faculty of Management Studies, Delhi
4. Remuneration : given in "Details of remuneration and other terms of appointment of Directors" section.
5. Functional Area : She has experience in Profit & Loss management across diverse industries and has built great brands in healthcare, consumer goods, telecom and paints.

Other Directorships:

Sl. No.	Name of the Company	Company Category	Designation/Category
1.	Nilkamal Ltd.	Listed Public Co.	Independent Director
2.	Tata Teleservices (Maharashtra) Ltd	Listed Public Co.	Independent Director
3.	Tata Communications Payment Solutions Ltd.	Unlisted Public Co.	Independent Director
4.	Polycab India Ltd.	Unlisted Public Co.	Additional Independent Director
5.	Roots Corporation Limited	Unlisted Public Co.	Independent Director

Membership of specified Committees:

Sl. No.	Name of the Company	Name of the Committee	Designation
1.	Tata Communications Payment Solutions Limited	Audit Committee	Member
		Nomination & Remuneration Committee	Member
		CSR Committee	Member
2.	Tata Teleservices (Maharashtra) Ltd	Audit Committee	Chairperson
		Nomination & Remuneration Committee	Member
		Finance Committee	Member
3.	Polycab India Ltd.	Stakeholders Relationship Committee	Member
		Nomination & Remuneration Committee	Member
		CSR Committee	Member
4.	Roots Corporation Limited	Audit Committee	Member
		Nomination & Remuneration Committee	Member

Disclosure of Relationship:

Ms. Hiroo Mirchandani is not related to any other Director(s) of the Company.

Shareholding:

She holds NIL shares of the Company as on 31st March, 2019.

Declaration by the Managing Director

It is hereby declared under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that all the Board members and senior management personnel have complied with the Code of conduct laid down by the Board.

Further, they have affirmed compliance with the said code of conduct as on 31st March, 2019.

Place: New Delhi

Dated: 2nd May, 2019

Mohit Jain

Managing Director

CEO / CFO Certification

As required under Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have certified to the Board that for the Financial Year ended 31st March, 2019, the Company has complied with the requirements of the said sub-clause.

Place: New Delhi

Dated: 2nd May, 2019

Davinder Dogra

Chief Financial Officer

Mohit Jain

Managing Director

Independent Auditor's Certificate on Corporate Governance

To the Members of DFM Foods Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 9th August, 2018.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of DFM Foods Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2019, as stipulated in regulations 17 to 27 as applicable and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 as applicable and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2019.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.015125N)

Vijay Agarwal
Partner

(Membership No. 094468)
UDIN:19094468AAAAAR4292

Place : New Delhi
Dated : 2nd May, 2019

Independent Auditors' Report

TO THE MEMBERS OF DFM FOODS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of DFM Foods Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and profit, changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Response to Key Audit Matter
<p>(a) Revenue Recognition (Occurrence and Accuracy)</p> <p>Revenue from sale of goods is recognized upon transfer of control and is measured at the price at which the Company expects to be entitled from a customer and are recorded net of product claims and other pricing allowances to customers including trade schemes (collectively "trade spend").</p> <p>The judgements required by management to estimate trade spend accruals are complex due to the diverse range of arrangements and commercial terms across the market.</p> <p>There is a risk that revenue may be overstated because of fraud, resulting from the pressure to achieve performance targets. Revenue is also an important element of how the Company measures its performance, upon which management are incentivised.</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> • Accounting policies: Assessed the appropriateness of the Company's revenue recognition accounting policies, including recognition and those related to trade spend by comparing with applicable accounting standards; • Control testing: Tested the effectiveness of the Company's controls over the occurrence and accuracy of revenue recognition and accuracy of trade spends; • Tests of details: Obtained samples of sales transactions to verify collection in bank statement to determine whether revenue has actually occurred and recorded accurately. • Compared current year trade spends accruals to the prior year and, where relevant, perform further inquiries and testing. • Agreed a sample of trade spend accruals to supporting documentation.

Key Audit Matter	Response to Key Audit Matter
	<ul style="list-style-type: none"> • Performed Trend analysis of utilization of provision of trade spend with actual spends passed to the customer. • Challenged the Company's assumptions used in estimating trade spend accruals using our experience of the industry in which it operates; • Developed an expectation of the current year revenue based on trend analysis information, taking into account sales and returns information. We compared this expectation against actual revenue and, where relevant, completed further inquiries and testing; • Tested the relevant information technology system access and change management controls relating to information used in recording sales; and • Tested the adequacy of the Company's disclosures in respect of revenue.

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report including Annexures to Director's Report and Report on Corporate Governance, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

- e) On the basis of the written representations received from the Directors of the Company as on 31st March, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2019 from being appointed as a Director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position. Refer note no. 29 to the Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer note no. 35 to the Ind AS financial statements.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. Refer note no. 14.3 to the Ind AS financial statements.

- 2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 015125N)

Vijay Agarwal
Partner
(Membership No. 094468)

Place: New Delhi
Date: 2nd May, 2019

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **DFM Foods Limited** (“the Company”) as of 31st March, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells

Chartered Accountants

(Firm's Registration No. 015125N)

Vijay Agarwal

Partner

(Membership No. 094468)

Place: New Delhi

Date: 2nd May, 2019

Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of DFM Foods Limited of even date)

- (i) In respect of its fixed assets (Property, plant and equipment):
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the transfer deed provided to us, we report that, the title deed, comprising the immovable properties of land and building, which are freehold, are held in the name of the Company as at the balance sheet date. Further, title deeds of all the immovable properties of land and buildings have been mortgaged as security for term loans based on the confirmation directly received by us from banks.
- (ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and does not have any unclaimed deposits as at 31st March, 2019 and therefore the provisions of clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees’ State Insurance, Customs duty, Goods and Service Tax, Income-tax and other material statutory dues applicable to it with the appropriate authorities. Also, refer to the note no. 29 in the financial statement regarding management assessment on certain matters relating to the provident fund. We are informed that cess is not applicable to the Company.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Customs Duty, Goods and Service Tax and other material statutory dues in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.
 - (c) There are no dues in respect of Income-tax, Custom Duty and Goods and Service Tax as on 31st March, 2019 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and Government. The Company has not taken any loans or borrowings from financial institutions or has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Further in our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised.

- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with them and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Vijay Agarwal
Partner
(Membership No. 094468)
Place: New Delhi
Date: 2nd May, 2019

BALANCE SHEET AS AT 31st MARCH, 2019

(₹ in lakhs)

Particulars	Note No.	As at	
		31 st March, 2019	31 st March, 2018
I. ASSETS			
1. Non-Current Assets			
a. Property, plant and equipment	2.1	16,547	15,530
b. Capital work - in - progress	2.1	603	383
c. Other intangible assets	2.2	9	6
d. Intangible assets under development	2.2	-	6
e. Financial Assets - Others	3	300	995
f. Other non-current assets	4	1,984	2,057
Total non-current assets		19,443	18,977
2. Current Assets			
a. Inventories	5	2,193	2,355
b. Financial Assets			
(i) Investments	6.1	5,507	5,186
(ii) Trade receivables	6.2	-	3
(iii) Cash and cash equivalents	6.3	370	144
(iv) Bank balances other than (iii) above	6.4	3,332	90
(v) Other financial assets	6.5	106	25
c. Other current assets	7	167	162
Total current assets		11,675	7,965
Total assets		31,118	26,942
II. EQUITY AND LIABILITIES			
1. Equity			
a. Equity Share capital	8	1,002	1,002
b. Other Equity	9	11,923	9,241
Total equity		12,925	10,243
2. Non-current liabilities			
a. Financial liabilities			
(i) Long - term borrowings	10	8,344	8,085
b. Long - term provisions	11	283	272
c. Deferred tax liabilities (net)	12	2,024	1,586
d. Other non - current liabilities	13	398	396
Total non-current liabilities		11,049	10,339
3. Current liabilities			
a. Financial liabilities			
(i) Short - term borrowings	14.1	379	568
(ii) Trade payables	14.2		
(A) Total outstanding dues of micro enterprises and small enterprises;		965	542
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		3,339	2,932
(iii) Other financial liabilities	14.3	1,743	1,648
b. Short - term provisions	15	67	12
c. Current tax liability (net)	16	52	83
d. Other current liabilities	17	599	575
Total current liabilities		7,144	6,360
Total equity and liabilities		31,118	26,942
See accompanying notes forming part of the financial statements	1 - 47		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Vijay Agarwal
Partner
Membership No. 094468Mohit Jain
Chairman and Managing Director
DIN 00079452Rohan Jain
Dy. Managing Director
DIN 02644896Rajiv Bhambri
Group Chief Financial OfficerRaju Singh Tomer
Company SecretaryPlace : New Delhi
Dated : 2nd May, 2019Place : New Delhi
Dated : 2nd May, 2019Davinder Dogra
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2019

(₹ in lakhs)

Particulars	Note No.	Year ended 31 st March, 2019	Year ended 31 st March, 2018
1. Revenue from operations	18	48,362	42,531
2. Other income	19	510	434
3. Total revenue (1+2)		48,872	42,965
4. Expenses			
a. Cost of materials consumed	20	28,383	25,598
b. Changes in inventories of finished goods	21	10	(23)
c. Employee benefits expense	22	4,597	4,156
d. Finance costs	23	1,063	1,002
e. Depreciation and amortisation expense	24	1,050	997
f. Other expenses	25	8,880	7,717
Total expenses		43,983	39,447
5. Profit before exceptional items and tax (3 - 4)		4,889	3,518
6. Exceptional items	26	152	-
7. Profit before tax (5 - 6)		4,737	3,518
8. Tax expense			
a. Current tax	28	1,020	760
b. Deferred tax	28	441	427
Total tax expense		1,461	1,187
9. Profit for the year (7 - 8)		3,276	2,331
10. Other Comprehensive Income/(Loss)			
(i) Items that will not be reclassified to profit or loss			
a. Remeasurements of net defined benefit liability	32	(9)	(54)
(ii) Income tax effect relating to item that will not be reclassified to profit or loss	28	3	19
Total Other Comprehensive Income/(Loss) for the year		(6)	(35)
11. Total Comprehensive Income for the year (9+10)		3,270	2,296
12. Earning per equity share (face value of ₹2/- each)			
a. Basic	27	6.54	4.66
b. Diluted	27	6.52	4.64
See accompanying notes forming part of the financial statements	1 - 47		

In terms of our report attached

 For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Vijay Agarwal
Partner
Membership No. 094468

Mohit Jain
Chairman and Managing Director
DIN 00079452

Rohan Jain
Dy. Managing Director
DIN 02644896

Rajiv Bhambri
Group Chief Financial Officer
Raju Singh Tomer
Company Secretary

 Place : New Delhi
Dated : 2nd May, 2019

 Place : New Delhi
Dated : 2nd May, 2019

Davinder Dogra
Chief Financial Officer

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2019

(₹ in lakhs)

Particulars	Equity Share Capital	Other Equity					Total Equity
		Securities Premium	General Reserve	Share Options Outstanding Account	Surplus in Statement of Profit and Loss	Total Other Equity	
As at 1 st April, 2017	1,000	26	3,314	74	4,045	7,459	8,459
Profit for the year	-	-	-	-	2,331	2,331	2,331
Other Comprehensive Loss during the year, net of tax	-	-	-	-	(35)	(35)	(35)
Total Comprehensive Income for the year	-	-	-	-	2,296	2,296	2,296
Recognition of share based payments	-	-	-	32	-	32	32
Exercise of options under employee stock option plan	2	65	-	(9)	-	56	58
Dividend paid on equity shares (refer note 43)	-	-	-	-	(500)	(500)	(500)
Dividend distribution tax (refer note 43)	-	-	-	-	(102)	(102)	(102)
As at 31 st March, 2018	1,002	91	3,314	97	5,739	9,241	10,243
Profit for the year	-	-	-	-	3,276	3,276	3,276
Other Comprehensive Loss during the year, net of tax	-	-	-	-	(6)	(6)	(6)
Total Comprehensive Income for the year	-	-	-	-	3,270	3,270	3,270
Recognition of share based payments	-	-	-	16	-	16	16
Dividend paid on equity shares (refer note 43)	-	-	-	-	(501)	(501)	(501)
Dividend distribution tax (refer note 43)	-	-	-	-	(103)	(103)	(103)
As at 31 st March, 2019	1,002	91	3,314	113	8,405	11,923	12,925

See accompanying notes forming part of the financial statements 1-47

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Vijay Agarwal
Partner
Membership No. 094468Mohit Jain
Chairman and Managing Director
DIN 00079452Rohan Jain
Dy. Managing Director
DIN 02644896Rajiv Bhambri
Group Chief Financial OfficerRaju Singh Tomer
Company SecretaryPlace : New Delhi
Dated : 2nd May, 2019Place : New Delhi
Dated : 2nd May, 2019Davinder Dogra
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

(₹ in lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit after tax	3,276	2,331
Adjustments for:		
Income tax expenses	1,461	1,187
Depreciation and amortization expenses	1,050	997
Finance cost	1,063	1,002
Expense on employee stock option (ESOP) scheme	16	32
Net (gain) / loss on disposal of property, plant and equipment	7	23
Net gain arising on investment designated at FVTPL	(321)	(333)
Interest income from financial assets carried at amortized cost on bank deposits	(107)	(65)
Net loss / (gain) on foreign exchange fluctuation - Other expenses	(148)	38
Operating profit before working capital changes	6,297	5,212
Adjustment for changes in working capital:		
Increase / (Decrease) in trade payables	830	(612)
Increase / (Decrease) in provisions	57	3
Increase / (Decrease) in other financial liabilities	128	(11)
Increase / (Decrease) in other current / non-current liabilities	(106)	(41)
(Increase) / Decrease in inventories	162	(442)
(Increase) / Decrease in trade receivables	3	(1)
(Increase) / Decrease in other financial assets	(22)	(9)
(Increase) / Decrease in other current / non-current assets	13	(35)
Cash generated from operations	7,362	4,064
Income tax paid (net of refunds)	(1,051)	(638)
Net cash flow from operating activities	6,311	3,426
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(2,295)	(1,326)
Capital expenditure on intangible assets	(1)	(9)
Proceeds from sale of property, plant and equipment	11	64
Bank deposits not considered as cash and cash equivalents - (placed) / matured	(2,534)	(79)
Bank balances not considered as cash and cash equivalents- Unpaid Dividend	(6)	(8)
Interest received	41	61
Net cash flow used in investing activities	(4,784)	(1,297)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

Particulars	(₹ in lakhs)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
C. CASH FLOW FROM FINANCING ACTIVITIES (refer note 46)		
Money received against exercise of options	-	58
Dividends paid	(495)	(492)
Dividend distribution tax	(103)	(102)
Finance cost paid	(820)	(869)
Net increase / (decrease) in short term borrowings	(189)	(471)
Payment against forward contracts	146	(245)
Proceeds of long term borrowings	1,534	1,382
Repayment of long term borrowings	(1,374)	(1,374)
Net cash flow from / (used) in Financing Activities	(1,301)	(2,113)
Net increase/ (decrease) in cash and cash equivalents	226	16
Cash and Cash equivalents at the beginning of the year	144	128
Cash and Cash equivalents at the end of the year (refer note 6.3)	370	144
Net increase/ (decrease) in cash and cash equivalents	226	16
See accompanying notes forming part of the financial statements 1 - 47		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Vijay Agarwal
Partner
Membership No. 094468

Mohit Jain
Chairman and Managing Director
DIN 00079452

Rohan Jain
Dy. Managing Director
DIN 02644896

Rajiv Bhambri
Group Chief Financial Officer

Raju Singh Tomer
Company Secretary

Place : New Delhi
Dated : 2nd May, 2019

Place : New Delhi
Dated : 2nd May, 2019

Davinder Dogra
Chief Financial Officer

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Corporate Information

DFM FOODS LIMITED ('the Company') is a public limited company incorporated under the provisions of the Companies Act, 1956 on 17th March, 1993. The shares of the Company are listed on BSE Ltd. (BSE) and National Stock Exchange of India Limited (NSE). The Company is engaged in manufacturing and sale of Snack Foods. The Company has manufacturing facilities in Greater Noida and Ghaziabad and sell its products under the brand name "CRAX", "CURLS", "NATKHAT" & "FRITTS".

The financial statements are approved for issue by the Company's Board of Directors on 2nd May, 2019.

1 Significant accounting policies

1.1. Basis of preparation and presentation of financial statements

Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

Basis of Preparation

The financial statements have been prepared on accrual and going concern basis under the historical cost convention except for certain class of financial assets/ liabilities, share based payments and net liability for defined benefit plans that are measured at fair value. The accounting policies have been consistently applied by the Company unless otherwise stated.

Functional and Presentation Currency

The financial statements have been prepared and presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts in the financial statement and accompanying notes are presented (₹ in lakhs) and have been rounded-off unless stated otherwise.

1.2. Use of estimates and judgments

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of asset and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the period presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgments and key sources of uncertainty

The following are the key assumptions concerning the future and other sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future are:

- (a) **Useful lives and residual value of property, plant and equipment:** Useful life and residual value are determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc. and same is reviewed at each financial year end.
- (b) **Provision for product claims and trade scheme:** Provision for the expected cost of product claims and trade schemes are recognized based upon the best estimate of the expenditure required to settle the Company's obligation. These estimates are based upon past experience and market conditions.

1.3. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Depreciation

Depreciation commences when the assets are ready for their intended use. Freehold land is not depreciated.

The Company has assessed the useful lives of Property, plant and equipment as per Schedule II to the Companies Act, 2013. Accordingly, depreciation has been computed on useful lives based on technical evaluation of relevant class of assets including components thereof. Depreciation is provided as per the straight-line method computed basis useful lives of fixed assets as follows:

Assets	Useful life (Years)
Buildings (Factory Building)	30
Plant and Machineries	10-25
Office Equipments	5
Furniture and Fixtures	10
Computers	3
Vehicles	5

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

1.4. Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated useful lives of the intangible assets are as follows:

Assets	Useful life (Years)
Trademarks	10
Computer Software	3

Amounts capitalized in Intangible assets under development include the total cost of any external products or services and labour costs directly attributable to development.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or Losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in profit or loss when the asset is de-recognized.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.5. Impairment of tangible and intangible assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. An impairment loss is charged to the Statement of Profit and Loss in the year in which the asset is identified as impaired. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss.

1.6. Inventories

Inventories are valued at the lower of cost and the net realizable value after providing for obsolescence and other losses, where considered necessary. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The basis of determining cost for various categories of inventories, are as follows:-

Raw Material	: At material cost on weighted average basis
Finished goods	: Cost of Raw Materials plus apportioned direct expenses
Stores and Spares	: At Weighted average cost

1.7. Revenue recognition

The Company derives revenue from sale of snack foods.

Effective 1st April, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers". The effect on adoption of Ind AS 115 is insignificant.

Sale of goods

The Company recognizes revenue from sale of goods through the Company owned depot or agents located in India and are recognized upon transfer of control i.e. when the items are delivered to or carried out by customers. Customer's payments are generally in advance or due at the time of sale.

Revenue is measured based on the consideration to which the Company expects to be entitled from a customer, net of product claims and other pricing allowances to customers including trade schemes and excludes Goods and Service Tax (GST) collected from customer and remitted to the appropriate taxing authorities and are not reflecting in the Statement of Profit and Loss as "Revenue".

Scrap sales

Revenue from sale of scrap is recognize on transfer of control of scrap material to customers in an amount that reflects the consideration we expect to receive in exchange for those material net of trade discounts, if any and excludes GST.

Other Income

Interest

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, using Effective Interest Rate (EIR) method.

1.8. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

1.9. Government grants

Government grant related to import cost of assets subject to an export obligation as prescribed in the Export Promotion Capital Goods (EPCG) scheme are presented as deferred income in the Balance Sheet and recognized in profit or loss on a systematic basis over the periods on fulfillment of associated export obligation.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate.

Amendment to Ind AS 20 Government grant related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in Balance Sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. These amendments do not have any impact on the financial statements as the Company continues to present grant relating to asset by setting up the grant as deferred income.

1.10. Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund, compensated absences and share based payments.

1.10.1. Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees. Provident fund contributions are made to a Trust administered by the promoter company.

1.10.2. Defined benefit plans

The Company provides for gratuity fund under a defined benefit plan for all employees. The gratuity fund is covered through trusts' group gratuity schemes managed by Life Insurance Corporation of India. The gratuity fund provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is determined using the Projected Unit Credit Method with actuarial valuations being carried out at each Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized into three components - Service cost, net interest expense or income and re-measurement. The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the schemes.

1.10.3. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of short-term compensated absences is accounted as under:

- in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- in case of non-accumulating compensated absences, when the absences occur.

1.10.4. Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.10.5. Share based payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date in accordance with Ind AS 102, 'Share-based payment'. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 36.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period using the graded vesting method, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the 'Share Options Outstanding Account' in Other Equity.

1.11. Leases

Leases in which a substantial portion of the risks and rewards of ownership are retained by the Lessor are classified as operating leases. Rental expense from operating leases is generally recognized on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

1.12. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1.12.1. Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

1.12.2. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

1.12.3. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income, in which case, the current and deferred tax are also recognized in other comprehensive income.

1.13. Foreign currency transactions

1.13.1. Initial recognition

Transactions in currencies other than the Company's functional currency (foreign currencies) entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.13.2. Measurement at the Balance Sheet date

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

1.13.3. Treatment of exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss.

1.14. Provisions and contingent liabilities

Provisions are recognized when there is present obligation (legal or constructive) as a result of past events and it is probable that there will be an outflow of resources. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

1.15. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

1.15.1. Initial recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1.15.2. Subsequent measurement

(a) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortized cost if the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets carried at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets and the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(c) Financial assets carried at fair value through profit or loss (FVTPL)

All other financial assets are subsequently measured at fair value.

(d) Financial liabilities at amortised cost

Financial liabilities include interest bearing loans and borrowings which are subsequently measured at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(e) Derivative financial instruments

The Company enters into derivative financial instruments such as foreign exchange forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. Any derivative that is either not designated a hedge or is so designated but is ineffective as per Ind AS 109, is categorized as a financial instruments at fair value through profit or loss.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.15.3. Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the substantially all the risks and rewards of ownership of the asset to another party or the transfer qualified for derecognition under Ind AS 109.

1.15.4. Derecognition of financial liabilities

The Company derecognizes a financial liability when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

1.15.5. Impairment of financial assets

The Company recognizes loss allowances using the Expected Credit Loss (ECL) for the financial assets which are not measured at fair value through profit or loss. In relation to loss allowance for financial assets (excluding trade receivables), ECL's are measured at an amount equal to 12 month ECL, unless there has been significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

1.16. Fair Value Measurement:

The Company measures financial instruments at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2** inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

1.17. Cash and Cash Equivalents

Cash and Cash Equivalents in Balance Sheet comprises of cash at bank and hand and short term deposits with original maturity of three months or less, which are subject to insignificant risk of change in value.

1.18. Cash Flow Statement

Cash Flows are reported using indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals and accruals of past or future operating cash receipts and payments and item of income and expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.19. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.20. Dividend Payments

Final dividend is recognized, when it is approved by the shareholders and the distribution is no longer at the discretion of the Company.

1.21. Current versus Non-Current

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when it is:

1. Expected to be realized or intended to be sold or consumed in normal operating cycle;
2. Held primarily for the purpose of trading;
3. Expected to be realized within twelve months after the reporting period; or
4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

1. It is expected to be settled in normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period; or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

1.22. Recent accounting pronouncements issued but not yet effective upto the date of issuance of financial statements

Ind AS 116 Leases: On 30th March, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after 1st April, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116 the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (1st April, 2019). Accordingly, comparatives for the year ended 31st March, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

There will be no material impact on adoption of Ind AS 116 as on transition date other than the classification/ presentation.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: On 30th March, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment or group of tax treatments that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition:

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight; and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1st April, 2019. The Company will adopt the standard on 1st April, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. 1st April, 2019 without adjusting comparatives.

There will be no material impact on adoption of Ind AS 12 Appendix C in the financial statements.

Amendment to Ind AS 12- Income Taxes

On 30th March, 2019, the amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

The amendment is effective from annual period beginning from 1st April, 2019. The Company is currently evaluating the effect of this amendment.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.1 Property, Plant and Equipment

(₹ in lakhs)

Description of Assets	Land - Freehold	Buildings	Plant and Machineries	Office Equipments	Furniture and Fixtures	Computers	Vehicles	Total
I. Gross Carrying Amount								
Balance as at 1 st April, 2017	118	4,436	11,199	26	185	49	553	16,566
Additions	-	427	299	7	3	18	6	760
Disposals	-	-	26	-	-	-	64	90
Balance as at 31st March, 2018	118	4,863	11,472	33	188	67	495	17,236
Additions	-	128	1,755	6	163	20	9	2,081
Disposals	-	-	202	1	-	7	10	220
Balance as at 31st March, 2019	118	4,991	13,025	38	351	80	494	19,097
II. Accumulated depreciation								
Balance as at 1 st April, 2017	-	128	435	7	35	12	99	716
Depreciation expense for the year	-	187	647	6	28	19	106	993
Eliminated on disposal of assets	-	-	-	-	-	-	3	3
Balance as at 31st March, 2018	-	315	1,082	13	63	31	202	1,706
Depreciation expense for the year	-	193	688	7	51	21	86	1,046
Eliminated on disposal of assets	-	-	189	1	-	6	6	202
Balance as at 31st March, 2019	-	508	1,581	19	114	46	282	2,550
III. Net Carrying Amount (I-II)								
As at 31st March, 2019	118	4,483	11,444	19	237	34	212	16,547
As at 31st March, 2018	118	4,548	10,390	20	125	36	293	15,530
IV. Capital Work in Progress								
As at 31st March, 2019	-	-	-	-	-	-	-	603
As at 31st March, 2018	-	-	-	-	-	-	-	383

Notes:

1. Refer note 38 for information on property, plant and equipment pledged as security.
2. Refer note 23 for information on borrowing costs capitalised.
3. Refer note 30 for information on contractual commitments for acquisition of property, plant and equipment.
4. The Company has elected to measure the items of property, plant and equipment at previous GAAP carrying value as deemed cost on the date of transition (i.e. 1st April, 2016). Accordingly the gross block reflecting above as at 1st April, 2016 is based upon the net written down value of previous GAAP as of 1st April, 2016. The below are the details of gross block, accumulated depreciation and net written down value as on 1st April, 2016.

(₹ in lakhs)

Description of Assets	Land - Freehold	Buildings	Leasehold improvement	Plant and Machineries	Office Equipments	Furniture and Fixtures	Computers	Vehicles	Total
Gross block	118	3,362	27	8,633	99	280	88	426	13,033
Accumulated depreciation	-	(516)	(27)	(1,693)	(80)	(107)	(70)	(142)	(2,635)
Net written down value as at 1 st April, 2016	118	2,846	-	6,940	19	173	18	284	10,398

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.2 Other intangible assets

(₹ in lakhs)

Description of Assets	Computer softwares	Total
I. Gross Carrying Amount		
Balance as at 31 st March, 2017	14	14
Additions	-	-
Balance as at 31st March, 2018	14	14
Additions	7	7
Balance as at 31st March, 2019	21	21
II. Accumulated amortisation		
Balance as at 1 st April, 2017	4	4
Amortization for the year	4	4
Balance as at 31st March, 2018	8	8
Amortization for the year	4	4
Balance as at 31st March, 2019	12	12
III. Net Carrying Amount (I-II)		
As at 31st March, 2019	9	9
As at 31 st March, 2018	6	6
IV. Intangible assets under development		
As at 31st March, 2019	-	-
As at 31 st March, 2018	-	6

Notes:

- Refer note 38 for information on property, plant and equipment pledged as security.
- The Company has elected to measure the items of intangible assets at previous GAAP carrying value as deemed cost on the date of transition (i.e. 1st April, 2016). Accordingly the gross block reflecting above as at 1st April, 2016 is based upon the net written down value of previous GAAP as of 1st April, 2016. The below are the details of gross block, accumulated amortisation and net written down value as on 1st April, 2016.

(₹ in lakhs)

Description of Assets	Trade Marks	Computer softwares	Total
Gross block	243	24	267
Accumulated amortisation	(243)	(15)	(258)
Net written down value as at 1 st April, 2016	-	9	9

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3 Financial assets - others (Unsecured, considered good)

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Other financial assets at amortised cost:		
Security deposits #	154	147
Bank deposits held as margin money@	146	848
Total	300	995

Includes ₹ NIL (31st March, 2018: ₹40 lakhs) security deposits given (at amortised cost) to related party.

@ Includes ₹14 Lakhs (31st March, 2018: ₹16 lakhs) pledged with Sales Tax and Custom Authority and includes bank deposit of ₹131.5 lakhs (31st March, 2018: ₹93 lakhs) held as margin against bank guarantee issued in favour of 'The Pradeshiya Industrial and industrial Corporation of Uttar Pradesh Limited (PICUP)'.

4 Other non-current assets (Unsecured, considered good)

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Advance for capital assets	61	116
Land prepayment	1,918	1,931
Prepaid expenses	5	10
Total	1,984	2,057

5 Inventories (At cost and net realizable value, whichever is lower)

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Raw materials	1,451	1,656
Finished goods	519	529
Stores and spares	223	170
Total	2,193	2,355

Notes :

1. Cost of Inventories in the form of material recognized as expensed during the year ₹28,556 lakhs (Previous year: ₹25,760 lakhs).
2. Carrying amount of inventories are pledged as security - Refer note 38

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

6.1 Investments (Unquoted but listed)

(₹ in lakhs)

Particulars	As at 31 st March, 2019		As at 31 st March, 2018	
	No. of units	Amount	No. of units	Amount
Designated at Fair Value through Profit or Loss:				
Kotak Credit Risk Fund -Regular Growth (erstwhile Kotak Income Opportunities Reg - Growth)**	3,986,644	811	3,986,644	762
Kotak Medium Term Regular - Growth	2,771,747	424	2,771,747	400
Reliance Credit Risk Fund - Growth (erstwhile Reliance Regular Savings Fund Debt Plan - Growth)**	1,630,266	420	1,630,266	394
Franklin India Short Term Income Retail - Growth	5,765	230	5,765	212
Aditya Birla Sun Life Medium Term - Growth	-	-	3,017,800	663
ICICI Prudential Ultra Short Term Fund - Growth (erstwhile ICICI Pru Regular Income - Growth)**	3,410,129	644	3,410,129	598
UTI Credit Risk Fund - Regular Growth (erstwhile UTI Credit Risk - Growth)**	4,231,517	708	4,231,517	670
DHFL Pramerica Credit Risk Fund- Regular Growth (erstwhile DHFL Pramerica Credit Opportunities Fund Regular - Growth)**	3,901,881	565	3,901,881	537
HDFC Credit Risk Debt fund- Regular Growth *	3,295,365	503	1,372,825	473
L&T Credit Risk Fund - Regular Growth (erstwhile L&T Income Opportunities - Growth)**	2,398,254	506	2,398,254	477
Aditya Birla Sun Life Saving - Growth Plan	188,489	696	-	-
Total		5,507		5,186

* Investment in "HDFC Short Term Plan -G has been migrated to HDFC Credit Risk Debt fund Reg-G" on 8th May, 2018. No of units has been changed from 13,72,825 to 32,95,365 due to change in NAV from 34.45 to 15.26.

** Pursuant to circular issued by Securities and Exchange Board of India dated 6th October, 2017, the scheme name has been changed.

6.2 Trade Receivables (Unsecured considered good, unless otherwise stated)

(₹ in lakhs)

Particulars	As at	
	31 st March, 2019	31 st March, 2018
Outstanding for a period not exceeding six months from the date they were due for payment.	-	3
Total	-	3

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

6.3 Cash and cash equivalents

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
(a) Cash on hand	15	12
(b) Bank balances:		
- In current accounts	355	132
Total	370	144

6.4 Bank balances other than cash and cash equivalents

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Bank balances:		
- In current accounts (Unpaid dividend accounts)	62	56
- In deposit accounts #	3,270	34
Total	3,332	90

Includes ₹134 lakhs held as margin money for letter of credit.

6.5 Other current financial assets (Unsecured considered good, unless otherwise stated)

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Financial assets carried at amortised cost:		
- Interest accrued but not due on fixed deposits	87	21
- Others (Staff advance and claim receivable)	19	4
Total	106	25

7 Other current assets

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Balances with government authorities		
- GST receivable	31	46
Prepaid expenses	31	55
Other loans and advances	38	36
Security deposit to related party (refer note 31)	42	-
Land prepayment	25	25
Total	167	162

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

8 Share capital

Particulars	As at 31 st March, 2019		As at 31 st March, 2018	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
(a) Authorized				
Equity shares of ₹2/- each (with voting rights)	65,000,000	1,300	65,000,000	1,300
10% Cumulative convertible preference shares of ₹10 /- each	2,000,000	200	2,000,000	200
		1,500		1,500
(b) Issued, Subscribed and Paid up[#]				
Equity shares of ₹2/- each (with voting rights) fully paid up	50,108,380	1,002	50,108,380	1,002
Total		1,002		1,002

[#]Refer to Note (i) to (vi) below

Notes:

- (i) The shareholders have approved the sub-division of the Company's equity shares of face value of ₹10/- each into equity shares of ₹2/- each through postal ballot on 10th October, 2018.
- (ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Equity Share Capital	
	Number of shares	₹ in lakhs
Balance as at 1 st April, 2017	50,008,380	1,000
Movement during the year	100,000	2
Balance as at 31 st March, 2018	50,108,380	1,002
Movement during the year	-	-
Balance as at 31st March, 2019	50,108,380	1,002

- (iii) Rights, preferences and restrictions attached to the equity shareholders:

The Company has only one class of equity shares having par value of ₹2/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. Further, the Board of Directors may also announce an interim dividend which would need to be confirmed by the shareholders at the forthcoming Annual General Meeting. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

- (iv) Shares held by the entity that exercise significant influence over the Company :

Name of shareholder	As at 31 st March, 2019		As at 31 st March, 2018	
	No. of shares held	% Holding	No. of shares held	% Holding
The Delhi Flour Mills Company Limited	16,308,380	32.55	16,308,380	32.55

- (v) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at 31 st March, 2019		As at 31 st March, 2018	
	No. of shares held	% Holding	No. of shares held	% Holding
The Delhi Flour Mills Company Limited	16,308,380	32.55	16,308,380	32.55
West Bridge Crossover Fund, LLC	7,476,255	14.92	7,476,255	14.92
Jwalamukhi Investment Holdings	4,975,830	9.93	4,975,830	9.93
Mr. Man Mohan Singh	4,633,504	9.25	4,749,875	9.48

- (vi) Details of share based payments - Refer note 36.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

9 Other Equity*

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
a. General reserve	3,314	3,314
b. Securities premium	91	91
c. Share Options Outstanding account	113	97
d. Surplus in Statement of Profit and Loss	8,405	5,739
Total	11,923	9,241

*For movement during the year in Other Equity, refer 'Statement of changes in equity'.

Nature and description of reserve:

(i) General Reserve :-

General Reserve are free reserves of the Company which are kept aside out of Company's profits to meet the future requirements as and when they arise. The Company had transferred a portion of the profit after tax (PAT) to general reserve pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

(ii) Surplus in Statement of Profit and Loss:-

Surplus in statement of profit and loss are the accumulated profits earned by the Company till date, less dividend (including dividend distribution tax) and other distribution made to shareholders.

(iii) Securities premium:-

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(iv) Share options outstanding account:-

The Company offers ESOP under which options to subscribe for the Company's share have been granted to certain employees and senior management. The share based outstanding account is used to recognise the value of equity settled share based payments provided as part of the ESOP scheme.

10 Long term borrowings # (At amortized cost)

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Term loans - secured		
- From banks	7,463	7,447
- From other party	881	638
Total	8,344	8,085

Refer note 38 for nature of security and terms of repayment of borrowings, including current maturities of long term debts.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

11 Long-term provisions

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Provision for employee benefits:		
- Compensated absences	260	257
- Gratuity	23	15
Total	283	272

12 Deferred tax liabilities (net)

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Tax effect of items constituting deferred tax liabilities		
- On difference between book balance and tax balance of property, plant and equipment	2,179	1,899
- On Investment in mutual funds at FVTPL	165	269
- On reversal of excess amortised interest on borrowings	12	14
Less: Tax effect of items constituting deferred tax assets		
- Provision for compensated absences, gratuity and employee stock options	(143)	(113)
- Government grant related to export obligation	(5)	(42)
- On Foreign Exchange Forward Contracts - FVTPL	-	(3)
- MAT Credit entitlement	(184)	(438)
Deferred tax liabilities (net) [also refer note 28(c)]	2,024	1,586

13 Other non-current liabilities

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Deferred government grant related to:		
- Export obligations	-	108
- Interest free loan (refer note 38)	398	288
Total	398	396

14.1 Short-term borrowings

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Loans repayable on demand - secured (refer note 38)	379	568
Total	379	568

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

14.2 Trade payables*

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Other than acceptances:		
- Total outstanding dues of micro enterprises and small enterprises (refer note below)	965	542
- Total outstanding dues of creditors other than micro enterprises and small enterprises (also refer note 31)	3,339	2,932
Total	4,304	3,474

*Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business. Company's credit risk management processes are explained in Note 41.1.

Note:

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
1. Principal amount due and remaining unpaid	-	-
2. Interest due on above and the unpaid interest	-	-
3. Interest paid	-	-
4. Payment made beyond the appointed day during the year	-	-
5. Interest due & payable for the period of a day	-	-
6. Interest accrued & remaining unpaid	-	-
7. Amount of further interest remaining due and payable in succeeding years	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identifying on the basis of information collected by the management. This has been relied upon by the Auditors.

14.3 Other financial liabilities

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
(a) Current maturities of long-term debt (secured)		
- From banks (refer note 38)	622	626
(b) Interest accrued but not due on borrowings	32	16
(c) Creditors for capital goods	113	162
(d) Unclaimed dividend (refer note below)	62	56
(e) Security deposits	914	786
(f) Payable on foreign exchange forward contracts	-	2
Total	1,743	1,648

Note: There are no amounts due for payment to the Investor Education and Protection Fund as at the year end. Further, in respect of the amount required to be transferred during the year, there has been no delay in transferring the amount to the Investor Education and Protection Fund.

15 Short-term provisions

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Provision for employees benefits:		
- Compensated absences	49	9
- Gratuity	18	3
Total	67	12

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

16 Current tax Liabilities/(assets)

(₹ in lakhs)

Particulars	As at	
	31 st March, 2019	31 st March, 2018
Advance tax	3,139	2,088
Less: Provision for current tax	(3,191)	(2,171)
Liabilities/(assets)	52	83

17 Other current liabilities

(₹ in lakhs)

Particulars	As at	
	31 st March, 2019	31 st March, 2018
(a) Advance from customers	264	339
(b) Statutory dues	269	192
(c) Deferred government grant related to interest free loan (refer note 38)	66	44
Total	599	575

18 Revenue from operations

(₹ in lakhs)

Particulars	Year ended	
	31 st March, 2019	31 st March, 2018
(a) Revenue from sale of products:		
-Sale of manufactured food products	48,279	42,453
(b) Other operating revenue:		
-Scrap Sales	83	78
Total	48,362	42,531

19 Other income

(₹ in lakhs)

Particulars	Year ended	
	31 st March, 2019	31 st March, 2018
Interest income from financial assets carried at amortized cost on:		
- Bank deposits	107	65
Net gain arising on investment designated at FVTPL	321	333
Net gain on disposal of property, plant and equipment	1	-
Income from government grant related to interest free loan (refer note 45)	49	24
Miscellaneous income	32	12
Total	510	434

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

20 Cost of material consumed

Particulars	(₹ in lakhs)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Raw material consumed		
Opening stock	1,656	1,266
Add: Purchase of raw material	28,178	25,988
	29,834	27,254
Less : Closing Stock	1,451	1,656
Net consumption	28,383	25,598

21 Changes in inventories of finished goods

Particulars	(₹ in lakhs)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Stock at the beginning of the year	529	505
Less: Stock at the end of the year	(519)	(528)
(Increase)/ Decrease in stock	10	(23)

22 Employee benefit expenses

Particulars	(₹ in lakhs)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Salaries and wages	4,297	3,864
Contribution to provident and other funds [refer note 32(i)]	194	181
Gratuity expense [refer note 32(ii)]	57	48
Share-based payments to employees (refer note 36)	16	32
Workmen and staff welfare expenses	33	31
Total	4,597	4,156

23 Finance costs

Particulars	(₹ in lakhs)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Interest expense on financial liabilities measured at amortized cost	816	801
Other borrowing costs (refer note 45)	51	98
Net loss on foreign exchange fluctuation	218	138
	1,085	1,037
Less: Amounts included in the cost of qualifying assets*	(22)	(35)
Total	1,063	1,002

*The capitalization rate used to determine the amount of borrowing costs eligible for capitalization is 9.84% p.a. (previous year 10.65% p.a.).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

24 Depreciation and amortization expense

Particulars	(₹ in lakhs)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Depreciation of property, plant and equipment (refer note 2.1)	1,046	993
Amortization of intangible assets (refer note 2.2)	4	4
Total	1,050	997

25 Other expenses

Particulars	(₹ in lakhs)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Consumption of stores and spares	147	118
Delivery expenses	4,248	3,625
Power and fuel	933	784
Rent (refer note 33)	386	377
Repair and maintenance		
- Buildings	18	2
- Machinery	33	43
- Others	1	1
Selling and marketing expenses	1,727	1,134
Rates and taxes	10	16
Insurance	47	61
Payment to auditors [refer note (i) below]	31	22
Directors sitting fees	29	32
Production expenses	130	115
Net loss on sale of fixed assets	8	23
Net loss / (gain) on foreign exchange fluctuation	(148)	38
Commission	438	461
Travelling expenses	281	280
Legal and professional charges	159	165
Obsolete inventory written off	16	67
Corporate social responsibility expenses (refer note 37)	61	51
Miscellaneous expenses	325	302
Total	8,880	7,717

Note (i)

Particulars	(₹ in lakhs)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
(i) Payments to the auditors comprise (excluding of Goods and Service Tax):		
As statutory auditors (Audit Fee)	17	12
As tax auditors (Audit Fee)	1	1
In other capacities		
- Limited review	8	7
- Others	5	2
Total	31	22

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

26 | Exceptional Items

Particulars	(₹ in lakhs)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Exceptional items *	152	-
Total	152	-

* Exceptional item represents interest cost incurred on account of non-fulfilment of export obligation under Export Promotion Capital Goods (EPCG) scheme.

27 | Earnings per share

Particulars	(₹ in lakhs)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Profit attributable to equity shareholders (₹ in lakhs) (A)	3,276	2,331
Weighted average number of equity shares (Nos.) (B)	50,108,380	50,037,130
Weighted average number of dilutive equity shares (Nos.) (C)	50,257,305	50,274,800
Basic earning per share (face value of ₹2/- each) (A/B)	6.54	4.66
Diluted earning per share (face value of ₹2/- each) (A/C)	6.52	4.64

Note : The shareholders have approved the sub-division of the Company's equity shares of face value of ₹10/- each into five equity shares of face value of ₹2/- each through postal ballot on 10th October, 2018. Pursuant to this, the Earnings Per Share (EPS) in respect of all the reported periods has been restated considering the aforesaid sub-division of shares.

28 | Tax expenses

(a) Income tax expense

Particulars	(₹ in lakhs)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Current tax [Includes MAT tax of ₹ Nil (Previous year ₹18 lakhs)]	1,020	760
Total Current tax	1,020	760
Deferred tax	187	445
MAT credit utilised/(entitlement)	254	(18)
Total deferred tax	441	427
Total	1,461	1,187

(b) Reconciliation of tax expense and the accounting profit

Particulars	(₹ in lakhs)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Profit before tax	4,737	3,518
Applicable tax rate	34.944%	34.608%
Income tax expense calculated at above rate	1,655	1,218
Tax effect of:		
- Corporate social responsibility and membership expense not allowed as deduction	16	13
- Tax adjustment relating to earlier years	(20)	-
- Gain on sale of investment in mutual fund	(29)	-
- Income tax effect relating to item that will not be reclassified to profit or loss	(3)	19
- Tax rate impact of investment in mutual fund	(158)	(64)
- Others	-	1
Total	1,461	1,187

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

28 Tax expenses (Contd..)

(c) Deferred tax

(₹ in lakhs)

Particulars	As at 1 st April, 2017	(Charged) / credited to Profit or loss	(Charged) / credited to other comprehensive income	As at 31 st March, 2018	(Charged) / credited to Profit or loss	(Charged) / credited to other comprehensive income	As at 31 st March, 2019
Tax effect of items constituting deferred tax liabilities							
- On difference between book balance and tax balance of property, plant and equipment	1,499	400	-	1,899	280	-	2,179
- On Investment in mutual funds at FVTPL	215	54	-	269	(104)	-	165
- On reversal of excess amortised interest on borrowings	19	(5)	-	14	(2)	-	12
Less: Tax effect of items constituting deferred tax assets							
- Provision for compensated absences	(64)	(22)	-	(86)	(22)	-	(108)
- Provision for gratuity	(9)	22	(19)	(6)	(5)	(3)	(14)
- Provision for employee stock option	(20)	(1)	-	(21)	-	-	(21)
- Government grant related to export obligation	(42)	-	-	(42)	37	-	(5)
- On Foreign exchange forward contracts - FVTPL	-	(3)	-	(3)	3	-	-
- MAT Credit entitlement	(420)	(18)	-	(438)	254	-	(184)
Deferred tax liability (net)	1,178	427	(19)	1,586	441	(3)	2,024

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

29 Contingent liabilities (to the extent not provided for)

Note:

- (i) Based upon the legal opinion obtained by the management, the Company found numerous interpretation issues and thus is in the process of evaluating the impact of the recent Supreme Court Judgment in the case of "Vivekananda Vidyamandir vs Regional Provident Fund Commissioner (II)", West Bengal in relation to non-exclusion of certain allowances from the definition of "basis wages" of the relevant employees for the purpose of determining contribution to provident fund under the Employees Provident Fund & Miscellaneous provisions Act, 1952.
- (ii) The Company does not have any pending litigations as on 31st March, 2019 which would impact its financial position.

30 Capital commitments (to the extent not provided for)

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Capital Commitments		
Estimated value of contracts in capital account remaining to be executed (net of advances)	505	743
Total	505	743

31 Related party disclosures

1. Names of related parties and nature of relationship:

A) Entity that exercise significant influence over the Company :

The Delhi Flour Mills Company Limited

B) Other related parties where transactions have taken place during the year:

(a) Key managerial personnel

(i) Executive Directors

- Mr. Mohit Jain (Managing Director)
- Mr. Rohan Jain (Dy. Managing Director)

(ii) Independent Directors

- Mr. Pradeep Dinodia
- Mr. S . C. Nanda
- Mr. Mohit Satyanand
- Ms. Hiroo Mirchandani

(b) Post employment benefit plan

- The Delhi Flour Mills Company Limited Provident Fund Trust

(c) Entity over which key managerial personnel and close member of their family jointly or severally has control

- S.R. Dinodia & Co., LLP - Mr. Pradeep Dinodia jointly with close member of his family
- Magic Mountain Retreat Private Limited - Mr. Mohit Satyanand jointly with close member of his family

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

31 Related party disclosures (Contd..)

2. Disclosure of transactions between the Company and Related Parties during the year and outstanding balances as on 31st March, 2019.

(₹ in lakhs)

Particulars	Entity that exercise significant influence over the Company		Key managerial personnel		Post employment benefit plan		Entity over which key managerial personnel has control	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Transactions during the year								
Rent paid								
(i) The Delhi Flour Mills Company Limited	297	295	-	-	-	-	-	-
(ii) Mr. Mohit Jain	-	-	-	4	-	-	-	-
Managerial remuneration*								
(i) Mr. Mohit Jain	-	-	238	159	-	-	-	-
(ii) Mr. Rohan Jain	-	-	252	173	-	-	-	-
Sitting fees								
(i) Mr. Pradeep Dinodia	-	-	6	9	-	-	-	-
(ii) Mr. S . C. Nanda	-	-	6	8	-	-	-	-
(iii) Mr. Mohit Satyanand	-	-	11	11	-	-	-	-
(iv) Ms. Hiroo Mirchandani	-	-	7	5	-	-	-	-
Professional fees								
(i) S.R. Dinodia & Co, LLP	-	-	-	-	-	-	7	7
(ii) Magic Mountain Retreat Pvt Ltd	-	-	-	-	-	-	5	5
(iii) Mr. S . C. Nanda	-	-	1	-	-	-	-	-
Reimbursement of expenses incurred								
The Delhi Flour Mills Company Limited	40	35	-	-	-	-	-	-
Reimbursement of expenses recovered								
The Delhi Flour Mills Company Limited	121	149	-	-	-	-	-	-
Contribution to Provident fund trust								
The Delhi Flour Mills Company Limited Provident Fund Trust	-	-	-	-	271	245	-	-
Dividend paid								
The Delhi Flour Mills Company Limited	163	163	-	-	-	-	-	-
Balance outstanding at the end of the year								
Contribution to Provident fund trust								
The Delhi Flour Mills Company Limited Provident Fund Trust	-	-	-	-	23	20	-	-
Commission payable								
(i) Mr. Mohit Jain	-	-	132	63	-	-	-	-
(ii) Mr. Rohan Jain	-	-	140	61	-	-	-	-
Security deposits								
The Delhi Flour Mills Company Limited	42	42	-	-	-	-	-	-

* Includes post employment benefit ₹17 lakhs (Previous year ₹17 lakhs) and provision for incremental gratuity and leave encashment for current year has not been considered above since the provision is computed based on the actuarial valuation for the Company as a whole.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended 31st March, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

32 Employee benefits

i) Defined contribution plans

The Company makes contribution towards employees' provident fund and employees' state insurance plan scheme. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes, to these defined contribution schemes. The Company recognized ₹167 lakhs (31st March, 2018: ₹136 lakhs) as provident fund and ₹27 lakhs (31st March, 2018: ₹18 lakhs) as employees' state insurance plan during the year as expense towards contribution to these plans.

ii) Defined benefit plans

Gratuity scheme

The amount of gratuity has been computed based on respective employee's salary and the years of employment with the Company. Gratuity has been accrued based on actuarial valuation as at the balance sheet date, carried out by an independent actuary. The amount is funded through trusts' group gratuity schemes managed by Life Insurance Corporation of India. The Company is contributing to trusts towards the payment of premium of such group gratuity schemes.

(A) The Principal assumptions used for the purpose of actuarial valuation were as follows:

Particulars	As at	
	31 st March, 2019	31 st March, 2018
Discount rate	7.65%	7.75%
Expected rate on increase in salary	8.00%	8.00%
Attrition rate	5.00%	5.00%

(B) Amount recognized in the statement of profit and loss:

Particulars	(₹ in lakhs)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
(a) Defined benefit obligation recognised in profit or loss:		
- Current Service Cost	57	50
- Interest cost on defined benefit obligation	40	30
- Expected interest income on plan assets	(40)	(32)
Defined benefit obligation recognised in profit or loss	57	48
(b) Remeasurements of defined benefit obligation:		
- Actuarial (gains)/losses from changes in financial assumptions	3	(6)
- Actuarial (gains)/losses from experience adjustments	4	59
- Return on plan assets (higher) / lower than discount rate	2	1
Remeasurements of defined benefit obligation recognised in other comprehensive income	9	54
Total amount recognized in the Statement of Profit and Loss (a+b)	66	102

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

32 | Employee benefits (Contd..)

(C) Net liabilities recognized in the Balance Sheet

(₹ in lakhs)

Particulars	As at	
	31 st March, 2019	31 st March, 2018
Net defined benefit obligation at the beginning of the year	18	27
Current Service Cost	57	50
Interest Cost	40	30
Remeasurement (gains) / losses	9	54
Expected return on plan assets	(40)	(32)
Contribution by the Company	(43)	(111)
Net defined benefit obligation at the end of the year	41	18
- Non-current liability	23	15
- Current liability	18	3

(D) Change in the obligation

(₹ in lakhs)

Particulars	As at	
	31 st March, 2019	31 st March, 2018
Present value of defined benefit obligation at the beginning of the year	517	401
Current Service Cost	57	50
Interest Cost	40	30
Remeasurement (gains) / losses	7	53
Benefit paid	(14)	(17)
Present value of defined benefit obligation at the end of the year	607	517

(E) Change in plan assets

(₹ in lakhs)

Particulars	As at	
	31 st March, 2019	31 st March, 2018
Plan assets at the beginning of the year	499	374
Expected return on plan assets	40	32
Contribution by the Company	43	111
Remeasurement loss on return on plan assets	(2)	(1)
Benefit paid	(14)	(17)
Plan assets at the end of the year	566	499

(F) Sensitivity analysis

The significant actuarial assumption for the determination of defined benefit obligations are discount rate and expected salary increase.

(₹ in lakhs)

Particulars	As at	
	31 st March, 2019	31 st March, 2018
Sensitivity analysis of gross defined benefit obligation as mentioned above, in case of change in significant assumptions:		
Discount Rate		
(i) Rate - 50 basis points	17	15
(ii) Rate + 50 basis points	(16)	(14)
Salary increase rate		
(i) Rate - 100 basis points	(30)	(28)
(ii) Rate + 100 basis points	35	31

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

32 Employee benefits (Contd..)

- (G) The plan assets are maintained with LIC of India Gratuity Scheme. The details of investment maintained by LIC are not available and have therefore not been disclosed.
- (H) The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (I) The employer's best estimate of contributions expected to be paid in next financial year is not ascertained and hence not disclosed above.
- (J) The average expected future working life of members of the defined benefit obligation as at 31st March, 2019 is 24.46 years (as at 31st March, 2018: 25.06 years).
- (K) The mortality rate of members of the defined benefit obligation has been obtained from IAL 2012 -14 as on 31st March, 2019 (IAL 2006-08 as at 31st March, 2018).

33 Disclosure in respect of operating lease as per Ind AS 17 'Lease' is as under:-

The Company has operating lease arrangements for factories, office premises and depots. The details of minimum lease obligations and lease payment recognized during the year are as under:

Particulars	(₹ in lakhs)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Operating lease payments recognized during the year	386	377
Minimum Lease obligation:		
- Not later than 1 year	25	25
- Later than 1 year but not later than 5 years	125	125
- Later than 5 years	1,793	1,806

34 Segment reporting

Based on the guiding principles given in Ind AS 108 on "Operating segments" the Company's business activity falls within a single operating segment, namely Snack Foods, the disclosure requirements in terms of Ind AS 108 on operating segment are not applicable.

35 Long-term contracts

The Company does not have any long term contracts including derivative contracts for which there is any material foreseeable losses as at 31st March, 2019.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

36 Share based payments

The Compensation Committee of Board of Directors of the Company has granted options to the employees pursuant to DFM Foods Employee Stock Option Plan (ESOP) 2014 ('the plan') on 31st July, 2014 wherein the maximum number of share options under the plan shall not exceed 25,00,000. The first grant was made on 1st April, 2015 for 5,00,000 shares and the second grant was made on 23rd November, 2018 for 1,87,500 options. The Company is following fair value method to amortise the compensation expense and accordingly recognised an expense of ₹16 lakhs for the year ended 31st March, 2019 (Previous year ₹32 Lakhs).

Scheme details:

The detail of options granted under the plan are as under:

Particulars	First Grant (refer note 3) 1 st April, 2015	Second Grant 23 rd November, 2018
ESOP grant date	1 st April, 2015	23 rd November, 2018
Exercise period under the ESOP	5 years from the respective dates of vesting	5 years from the respective dates of vesting
Quoted Price on grant date per option	₹67.06	₹232.85
Exercise price per option	₹58.2	₹200.00
Weighted average fair value at grant date per option	₹38.99	₹134.81
Vesting period under the ESOP		
End of first year	20%	20%
End of Second year	20%	20%
End of third year	20%	20%
End of fourth year	20%	20%
End of fifth year	20%	20%

Fair value of share options:

The fair value at grant date is determined using the Black- Scholes valuation method which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the average dividend yield and the risk free interest rate for the term of the option. The following tables list the inputs used for fair valuation of options for the ESOP plans:

Particulars	First Grant (refer note 3)	Second Grant
Underlying Price	₹65.54	₹232.85
Exercise Price	₹58.20	₹200.00
Expected life of share options (years)	3.5-7.5	3.5-7.5
Historical Volatility (%)	59.12 - 58.88	53.00 - 50.82
Interest Rate (%)	7.71 - 7.80	7.43 - 7.74
Dividend yield (%)	0.76	0.51

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

36 | Share based payments (Contd..)

Movement in share options during the year:

Particulars	First Grant (refer note 3)		Second Grant	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Outstanding at the beginning of the year	4,00,000	5,00,000	-	-
Granted during the year	-	-	1,87,500	-
Forfeited/lapsed during the year (refer note 5)	2,00,000	-	-	-
Exercised during the year (refer note 2)	-	1,00,000	-	-
Options outstanding at the end of the year (refer note 5)	2,00,000	4,00,000	1,87,500	-
Vested during the year	1,00,000*	1,00,000	-	-
Options exercisable at the end of the year (refer note 5)	2,00,000	4,00,000	-	-

* The Compensation Committee decision w.r.t. vesting of 1,00,000 share options is pending.

Notes:

- Vesting of options is a function of achievement of performance criteria or any other criteria as specified by the Nomination and Remuneration Committee and communicated in the grant letter.
- There was Nil (Previous Year 1,00,000 options) share option exercised during the financial year ended 31st March, 2019.
- Split of share adjustment**
The number of share options granted, vested, exercised, outstanding, exercisable, exercise price, underlying price, weighted average fair value of grant etc. has been adjusted to reflect the sub - division of face value of equity shares of the Company.
- The weighted average share price of the options exercised at the date of exercise were ₹ Nil (Previous year ₹323.39)
- The Compensation Committee decision w.r.t. forfeiture of 2,00,000 share options is pending. Further, share options lapsed or forfeited may be clubbed in subsequent vesting based upon the cumulative performance in the subsequent years and accordingly will be recognised as expense in the year in which performance is achieved.

37 | Corporate social responsibility (CSR) expense

(₹ in lakhs)

Particulars	Year ended	Year ended
	31 st March, 2019	31 st March, 2018
a) Prescribed CSR expenditure as per Section 135 of the Companies Act, 2013	61	51
b) Amount spent during the year [#]	61	51
c) Amount unspent during the year (a-b)	-	-
[#] Amount paid for:		
Construction / acquisition of any assets	40	26
Other purpose	21	25

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

38 Assets pledged as security

A. The carrying amount of assets pledged as security for borrowings are as under: (₹ in lakhs)

Particulars	As at	
	31 st March, 2019	31 st March, 2018
Non-Current Assets	18,047	17,515
Current Assets	11,660	7,950
Total assets	29,707	25,465

B. Details of nature of security and terms of repayment:

Nature of security	Terms of repayment
Borrowings from banks:	
1. Term loan from bank amounting to ₹1,177 lakhs (31 st March, 2018: ₹ NIL) are secured by exclusive charge on the assets financed through this term loan.	Repayable in 32 equal quarterly installments, with first instalment commencing on 31 st December, 2019. Interest paid on monthly rest. Due within 1 year ₹8 lakhs (31 st March, 2018: ₹ NIL)
2. Term loan from bank amounting to ₹ NIL (31 st March, 2018: ₹26 lakhs) are secured by:	Repayable in 20 quarterly installments, with first instalment commencing on 31 st July, 2013. Interest paid on monthly rest. Due within 1 year ₹ NIL (31 st March, 2018: ₹26 lakhs)
a) Pari-Passu charge on lease hold property in Greater Noida (U.P.)	
b) Pari-Passu hypothecation charge on the Industrial Project assets including plant and machinery located in Greater Noida (U.P.)	
c) Exclusive charge on freehold land in Delhi - 110007.	
3. Term loan from bank amounting to ₹1,291 lakhs (31 st March, 2018: ₹1,882 lakhs) including buyers credit loan ₹ NIL (31 st March, 2018: ₹983 lakhs) are secured by:	Repayable in 27 equal quarterly installments, with first instalment to be commenced from 30 th June, 2017. Interest paid on monthly rest. Due within 1 year ₹274 lakhs (31 st March, 2018: ₹274 lakhs)
Primary Security	
a) Pari-Passu hypothecation charge over new line industrial assets including, Plant and Machinery located in Greater Noida (U.P.)	
Additional Security	
a) Pari-Passu charge over entire present and future current assets.	
b) Pari-Passu hypothecation charge on the Industrial Project assets including plant and machinery located in Greater Noida (U.P.)	
c) Pari-Passu charge by way of equitable mortgage on leasehold industrial property in Greater Noida (U.P.)	
d) Exclusive charge by way of equitable mortgage on freehold land in Delhi - 110007	
e) Exclusive charge by way of equitable mortgage on leasehold industrial property in Ghaziabad (U.P.)	
f) Margin money for buyers credit in the form of fixed deposit held with bank of ₹ NIL (31 st March, 2018: ₹270 lakhs)	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

38 Assets pledged as security (contd..)

B. Details of nature of security and terms of repayment:

Nature of security	Terms of repayment
4. Term loan from bank amounting to ₹2,750 lakhs (31 st March, 2018: ₹3,218 lakhs) including buyers credit ₹ NIL (31 st March, 2018: ₹1,611 lakhs) are secured by:	Repayable in 32 quarterly installments, with first instalment to be commenced from 30 th June, 2018. Interest paid on monthly rest. Due within 1 year ₹49 lakhs (31 st March, 2018: ₹29 lakhs)
Primary Security	
a) Pari-Passu hypothecation charge over the assets created out of this loan including plant and machinery, present as well as future located in Greater Noida (U.P.)	
Additional Security	
a) Pari-Passu charge over entire present and future current assets.	
b) Pari-Passu hypothecation Charge on the Industrial Project assets including plant and machinery located in Greater Noida (U.P.)	
c) Exclusive hypothecation charge over the Industrial Project assets including Plant and Machinery located in Ghaziabad (U.P.)	
d) Pari-Passu charge by way of equitable mortgage on leasehold industrial property in Greater Noida (U.P.)	
e) Exclusive charge by way of equitable mortgage on leasehold industrial property in Ghaziabad (U.P.)	
f) Exclusive charge by way of equitable mortgage on freehold land in Delhi - 110007.	
h) Margin money for buyer's credit in the form of fixed deposit held with bank of ₹ NIL (31 st March, 2018: ₹461 lakhs)	
5. Term loan from bank amounting to ₹298 lakhs (31 st March, 2018: ₹149 lakhs) are secured by:	Repayable in 32 quarterly installments, with first instalment to be commenced from 30 th June, 2019. Interest paid on monthly rest. Due within 1 year ₹3 lakhs (31 st March, 2018: ₹ Nil)
Primary Security	
a) Exclusive charge on the assets financed out of this term Loan.	
b) Pari-Passu hypothecation charge on the Industrial Project assets including plant and machinery, at present as well as future located in Greater Noida (U.P.)	
Additional Security	
a) Pari-Passu charge by way of equitable mortgage on leasehold industrial property in Greater Noida (U.P.)	
b) Exclusive hypothecation charge over the Industrial Project assets including Plant & Machinery located in Ghaziabad (U.P.)	
6. Term loan from bank amounting to ₹304 lakhs (31 st March, 2018: ₹429 lakhs) are secured by:	Repayable in 24 quarterly installments, with first instalment to be commenced from 1 st October, 2015. Interest paid on monthly rest. Due within 1 year ₹136 lakhs (31 st March, 2018: ₹127 lakhs)
Primary Security	
a) Pari-Passu hypothecation charge on the Industrial Project assets including plant and machinery located in Greater Noida (U.P.)	
Additional Security	
a) Pari-Passu charge by way of equitable mortgage on lease hold industrial property in Greater Noida (U.P.)	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

38 Assets pledged as security (contd..)

B. Details of nature of security and terms of repayment: (Contd..)

Nature of security	Terms of repayment
7. Term loan from bank amounting to ₹205 lacs (31 st March, 2018: ₹236 Lakhs) are secured by:	Repayable in 28 quarterly installments, with first instalment to be commenced from 1 st April, 2016. Interest paid on monthly rest. Due within 1 year ₹47 lakhs (31 st March, 2018: ₹31 lakhs)
Primary Security	
a) Exclusive charge on the assets financed through this term Loan.	
Additional Security	
a) Pari-Passu charge by way of equitable mortgage on leasehold industrial property in Greater Noida (U.P.)	
8. Term loan from bank amounting to ₹2,002 lakhs (31 st March, 2018: ₹1,964 lakhs) are secured by:	Repayable in 32 quarterly installments, with first instalment to be commenced from 30 th June, 2018. Interest paid on monthly rest. Due within 1 year ₹48 lakhs (31 st March, 2018: ₹28 lakhs)
Primary Security	
a) Pari-Passu charge by way of equitable mortgage over additional building constructed out of this loan located in Greater Noida (U.P.)	
b) Pari-Passu hypothecation charge over Plant & Machinery and other fixed assets / office equipments purchased out of this term loan.	
Additional Security	
a) Pari-Passu charge by way of equitable mortgage of leasehold industrial property in Greater Noida (U.P.)	
9. Cash credit limit from bank amounting to ₹379 lakhs (31 st March, 2018: ₹382 lakhs) are secured by:	Repayable on demand
Primary Security	
a) Pari-Passu hypothecation charge over raw material, semi finished goods, finished goods, packaging material, stores etc. and book debts.	
Additional Security	
a) Properties and project assets kept as primary security against all the loans mentioned in point 2 to 5 above with bank to be kept as additional security.	
10. Over draft limit from bank amounting to ₹ NIL (31 st March, 2018: ₹187 lakhs) are secured by:	Repayable on demand
Primary Security	
a) Pari-Passu hypothecation Charge over all current assets i.e. raw material, semi finished goods, finished goods, packaging material, stores etc. and book debts.	
Additional Security	
a) Pari-Passu charge by way of equitable mortgage of leasehold industrial property in Greater Noida (U.P.)	
11. Vehicle Loan amounting to ₹58 lakhs (31 st March, 2018: ₹168 lakhs) secured by hypothecation of vehicles finance out of these loans.	Repayable in 36 monthly installments commencing from the date of purchase. Due within 1 year ₹57 lakhs (31 st March, 2018: ₹111 lakhs)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

38 Assets pledged as security (contd..)

B. Details of nature of security and terms of repayment: (Contd..)

Nature of security	Terms of repayment
Long term loans from others:	
12. The Company has taken interest free term loan from The Pradeshia Industrial and Investment Corporation of U.P. Limited (PICUP) aggregating ₹1,344.77 lakhs (31 st March, 2018: ₹969.88 lakhs) net of administrative expenses of ₹19.17 lakhs (31 st March, 2018: ₹13.55 lakhs) which is secured by bank guarantee in favour of PICUP out of which ₹881 lakhs (31 st March, 2018: ₹638 lakhs) is outstanding as long term borrowings at amortised cost and balance ₹463.97 lakhs (31 st March, 2018: ₹345 lakhs) is outstanding as deferred government grant.	Repayable in 1 installment after seven years from the date of disbursement.

C. Terms loans from banks are also guaranteed by the Chairman and Managing Director.

39 Financial instruments by category

The criteria for recognition of financial instruments is explained in significant accounting policies note 1.15

(₹ in lakhs)

Particulars	As at 31 st March, 2019		As at 31 st March, 2018	
	Amortised cost	FVTPL	Amortised cost	FVTPL
Financial assets				
Investments - Mutual funds	-	5,507	-	5,186
Trade and other receivables	-	-	3	-
Cash and cash equivalents	370	-	144	-
Bank balances other than cash and cash equivalents	3,332	-	90	-
Other current financial assets	106	-	25	-
Other non - current financial assets	300	-	995	-
Total financial assets	4,108	5,507	1,257	5,186
Financial liabilities				
Borrowings	9,345	-	9,279	-
Trade payables	4,304	-	3,474	-
Foreign currency forward contracts	-	-	-	2
Other financial liabilities	1,121	-	1,020	-
Total financial liabilities	14,770	-	13,773	2

40 Capital management

The Company endeavours to optimize debt and equity balance and provide adequate strength to the Balance Sheet. The Company monitors capital on the basis of debt equity ratio.

41 Financial risk management

The Company's activities expose it to various financial risks : Credit risk, Liquidity risk and Market risk.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

41.1 Credit risk management

The Company has negligible credit risk as it follows policy of sale against advance payments only, the credit risk is only limited to advance to capital goods vendors and security deposits. The Company continuously reviews and monitors the same and there is no write-off or provisions against advances and deposits.

41.2 Liquidity risk management

(a) The Company manages liquidity by ensuring control on its working capital which involves adjusting production levels and purchases to market demand and daily sales of production and advances from customers. It also ensures adequate credit facilities sanctioned from banks to finance the peak estimated funds requirements. The working capital credit facilities are continuing facilities which are reviewed and renewed every year.

The Company also ensures that the long term funds requirements are met through adequate availability of long term capital (Debt and Equity).

Particulars	(₹ in lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Total committed working capital limits from banks	1,450	1,150
Utilized working capital limit	379	568
Unutilized working capital limit	1,071	582

(b) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amount disclosed in the table are the contractual undiscounted cash flow.

Particulars	(₹ in lakhs)			
	Upto 1 year	Between 1 year to 5 years	Over 5 years	Total
As at 31st March, 2019				
Non-derivatives				
Borrowings *	622	4,554	3,790	8,966
Trade payables	4,304	-	-	4,304
Other financial liabilities	1,121	-	-	1,121
Total non-derivatives liabilities	6,047	4,554	3,790	14,391
As at 31st March, 2018				
Non-derivatives				
Borrowings *	626	4,189	3,896	8,711
Trade payables	3,474	-	-	3,474
Other financial liabilities	1,020	-	-	1,020
Total non-derivatives liabilities	5,120	4,189	3,896	13,205
Derivatives				
Foreign currency forward contracts	2	-	-	2
Total derivatives liabilities	2	-	-	2

* Excludes utilized working capital limit disclosed in note 14.1

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

41.3 Market risk management

(a) The Company's operations are mainly in India and therefore rupee denominated, except the following:

Nature of foreign currency liabilities	Hedging
Foreign currency payables for import of capital equipments and stores and spares	Unhedged

Borrowings from banks have interest linked to the bank's Marginal cost of lending rate (MCLR) and are subject to variation in such rates.

(b) Unhedged exposure to foreign currency risk

Unhedged exposure to foreign currency risk at the end of the reporting period is with respect to below payables for capital goods / interest payable:

Particulars	As at	
	31 st March, 2019	31 st March, 2018
Payables for capital goods	EURO 96,181	GBP 8,915
Interest payable on buyers credit	-	JPY 287,175
Interest payable on buyers credit	-	Euro 489
Interest payable on buyers credit	-	GBP 849
Interest payable on buyers credit	-	USD 19,419

(c) Sensitivity

With respect to the above unhedged exposure the impact of sensitivity is insignificant.

(d) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate change at the end of the reporting period are as follows:

Particulars	As at	
	31 st March, 2019	31 st March, 2018
	(₹ in lakhs)	
Variable rate borrowings		
Long term	7,462	4,796
Short term	945	1,084
Total variable rate borrowings	8,407	5,880
Fixed rate borrowings		
Long term	882	3,289
Short term	56	110
Total fixed rate borrowings	938	3,399
Total rate borrowings	9,345	9,279

(e) Sensitivity

Variable interest rate loans are exposed to Interest rate risk, the impact on profit or loss before tax may be as follows:

Particulars	Year ended	
	31 st March, 2019	31 st March, 2018
Interest rate - increase by 100 basis points*	(69)	(65)
Interest rate - decrease by 100 basis points*	69	65

* Holding all other variables constant.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42 Fair value hierarchy

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table presents fair value hierarchy of financial assets and financial liabilities measured at fair value on a recurring basis:

(₹ in lakhs)

Particulars	Level 1	Level 2	Level 3	Total
As at 31st March, 2019				
Financial assets / (liabilities)				
Investment in mutual funds at FVTPL	5,507	-	-	5,507
Total Financial assets / (liabilities)	5,507	-	-	5,507
As at 31st March, 2018				
Financial assets / (liabilities)				
Investment in mutual funds at FVTPL	5,186	-	-	5,186
Foreign currency forward contracts	-	(2)	-	(2)
Total Financial assets / (liabilities)	5,186	(2)	-	5,184

Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Inputs are unobservable inputs for the asset or liability.

43 Dividend paid and proposed

(₹ in lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Dividend declared and paid during the year:		
Final Dividend paid for the year ended 31 st March, 2018 ₹1/- per share (31 st March, 2017 : ₹1/- per share)	501	500
Corporate Dividend Tax on Final Dividend	103	102
	604	602
Proposed Dividends on equity shares:		
Final Dividend for the year ended 31 st March, 2019 ₹1.25 per share (31 st March, 2018: ₹1/- per share)	626	501
Corporate Dividend Tax on proposed dividend	129	103
	755	604

Note:

Proposed dividends on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability (including Corporate Dividend Tax thereon) as at 31st March, 2019.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

44 Expenditure During Construction Period

Particulars	(₹ in lakhs)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Balance brought forward from previous year	176	30
Add: Pre-operative expenses (common) incurred during the year:		
- Cost of material consumed	10	-
- Salaries and wages	25	51
- Borrowing costs	22	35
- Rent	-	15
- Insurance	1	-
- Travelling expenses	8	39
- Miscellaneous expenses	5	6
	247	176
Less: Allocated to property, plant and equipments	(65)	-
Balance carried forward	182	176

45 Disclosures related to government grant

Nature of Grant	Income/Expense head	(₹ in lakhs)	
		Year ended 31 st March, 2019	Year ended 31 st March, 2018
Benefit of interest free PICUP loan	Interest expense on financial liabilities measured at amortized cost	51	25
Benefit of interest free PICUP loan	Income from government grant related to interest free loan	49	24

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

46 Disclosure of changes in liabilities arising from financing activities, including both cash and non-cash changes:

(₹ in lakhs)

Particulars	Opening balance	Additions during the year					Payments during the year			Closing balance
		Dividend declared ^	Non-cash changes		Exchange fluctuation changes	Cash flow from financing activities	Non-cash changes		Cash flow used in financing activities	
			Finance cost	Adjustment of upfront fees			Adjustment of upfront fees	Exchange fluctuation changes		
Unclaimed dividends ^	56	604	-	-	-	-	-	-	(598)	62
Interest accrued but not due on borrowings	16	-	1,063	-	-	-	(9)	(218)	(820)	32
Loans repayable on demand - secured	568	-	-	-	-	-	-	-	(189)	379
Payable on foreign exchange forward contracts	2	-	-	-	(148)	-	-	-	146	-
Long term borrowings*	9,043	-	-	9	218	1,534	-	-	(1,374)	9,430

^ including dividend distribution tax

*including current maturity of long term debts and deferred government grant related to interest free loan.

47 Previous year's figures

Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

For and on behalf of the Board of Directors

Mohit Jain
Chairman and Managing Director
DIN 00079452

Rohan Jain
Dy. Managing Director
DIN 02644896

Rajiv Bhambri
Group Chief Financial Officer

Raju Singh Tomer
Company Secretary

Place : New Delhi
Dated: 2nd May, 2019

Davinder Dogra
Chief Financial Officer



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