

J.R. FOODS LIMITED

MD	✓		BKC	✓
CS	AB		DEY	AB
RO	✓		DIV	AB
TRA	MA		AC	✓
AGM	✓	✓	S.H	✓
YE	✓	✓		

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FIFTH ANNUAL REPORT 1997 - 98

J.R. FOODS LIMITED**BOARD OF DIRECTORS**

SHRI.R.L.KOTHARI
 SHRI.J.K.KOTHARI
 SHRI. M.SIVAGURUNATHAN

CHAIRMAN
 MANAGING DIRECTOR
 DIRECTOR

AUDITORS

MESSERS. GAYATHIRRI & COMPANY
 CHARTERED ACCOUNTANTS
 CHENNAI.600 001

REGISTERED OFFICE

J.K.TOWERS
 100 FEET ROAD
 PONDICHERRY-605 013

WORKS

THIRUBHUVANAI VILLAGE
 PONDICHERRY - 605 107.

NOTICE

Notice is hereby given that the Fifth Annual General Meeting of the members of **J.R.FOODS LIMITED** will be held on the Tuesday 1st day of September 1998 at 10.00 A.M. at its Registered office at "**J.K.TOWERS**", 100 feet Road, Pondicherry - 605 013 to transact the following business:

1. To receive, consider, approve and adopt the audited Balance sheet of the company as at 31st March 1998 and the Profit and Loss Account for the year ended on that date together with the report of the Auditors and the Directors.
2. To appoint a Director in place of Shri. R.L.KOTHARI who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint auditors and fix their remuneration. The retiring auditors M/s Gayathri & Co., Chartered accountants, Chennai, are eligible for reappointment.

Regd. office:

J.K.TOWERS
 100.FEET ROAD
 PONDICHERRY - 605013

BY THE ORDER OF THE BOARD
 For J.R.FOODS LIMITED.,

27TH June 1998

J.K.KOTHARI
 Managing Director

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead at the meeting. A proxy need not be a member of the company.
2. Proxy forms should be lodged at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
3. The register of members and share transfer books will be closed from 27th August 1998 to 1st September 1998, both days inclusive.

J.R. FOODS LIMITED**REPORT OF THE DIRECTORS TO THE SHAREHOLDERS**

Your Directors have pleasure in placing before you the 5th Annual Report and Accounts of the company for the year ended 31st March 1998.

REVIEW OF OPERATIONS:

The overall performance of the company during the year under review was not up to mark. The working of the company was affected due to the adverse market conditions and non-availability of working capital from banks. Despite these constraints the operations have registered a modest growth.

Gross Turnover grew by 108.5 % to Rs. 22.91 crores (Rs. 10.99 crores). Profit before interest, depreciation and taxation was higher by 24% at Rs. 2.1 crores (Rs. 1.7 crores), despite higher interest cost of Rs. 1.12 crores. (Rs.84.08 Lakhs)

APPROPRIATIONS:

An amount of Rs 40.85 lakhs (Rs.25.50 lakhs) is credited to Profit and Loss Account. In view of this, your Director do not propose any dividend.

PERFORMANCE OF THE COMPANY:

The market for edible oil has lately been showing an uptrend. Your company is likely to gain on this. Working capital will be sanctioned shortly. The prospects for the company during 1998-99 appear bright.

FINANCE AND ACCOUNTS:

Observations made by the Auditors in their Report have been fully clarified in the relevant notes forming part of accounts.

PARTICULARS OF EMPLOYEES:

The company had no employees during the year, who came under the purview of the provisions of Sec 217 (2A) of the companies Act, 1956 and the companies (particulars of employees) Rules, 1975.

DIRECTORS:

Shri.R.L.KOTHARI retires by rotation and at the ensuring Annual General Meeting and being eligible offers himself for reappointment.

AUDITORS:

M/S. Gayathirri & Co, Chartered Accountants, Chennai, retire and are eligible for reappointment.

PUBLIC DEPOSIT:

During the year under review the company has not accepted any deposits from the public within the meaning of Section 58 A of the Companies Act, 1956.

PARTICULARS U/S 217 (1) E OF THE COMPANIES ACT, 1956 AND THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988:**CONSERVATION OF ENERGY :**

Power and Fuel Consumption

ELECTRICITY

Units Consumed	1240732.00
Total Amount	Rs.2338445.00
Rate Per Unit	Rs. 1.88

Consumption of Electricity -

- Per tonn of Production Rs. 98.22

TECHNOLOGY ABSORPTION : NIL

FOREIGN EXCHANGE EARNINGS & OUTGO :

- | | |
|------------------------------|-------|
| i. Foreign Exchange Earnings | : NIL |
| ii. Foreign Exchange Outgo | : NIL |

APPRECIATION:

Your Directors express their appreciation of the employees at all levels for their high level of dedication and commitment.

ACKNOWLEDGEMENTS:

The Directors are thankful to IDBI, the Government of Pondicherry, its bankers and customers for their support and the employees of the company for their co-operation.

For and on behalf of the Board,
For J.R.FOODS LIMITED.,

Place : Pondicherry
Date : 27th June 1998.

R.L.KOTHARI
Chairman

J.R. FOODS LIMITED

**GAYATHIRRI & CO.,
CHARTERED ACCOUNTANTS
217, THAMBU CHETTY STREET,
CHENNAI 600001**

AUDITORS' REPORT

To

The Shareholders of J.R.Foods Ltd.,

We have audited the attached Balance Sheet of J.R.Foods Ltd., as at 31st March 1998 and the Profit and Loss Account of the Company for the year ended on that date annexed there to and report that:

1. We have obtained all the informations and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit.
2. In our opinion proper books of account, as required by law have been kept by the company so far as appears from our examination of those books.
3. The said Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
4. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts together with the annexed schedules and the notes thereon give the information required by the Companies Act, 1956 in the manner so required and gives a true and fair view:
 - (a) In the case of Balance Sheet, of the State of Affairs of the Company as at 31st March 1998.
 - (b) In the case of Profit and Loss Account, of the profit for the year ending 31st March 1998.

As required by the Manufacturing and other Companies (Auditors Report) order, 1988 issued by Central Government, on the basis of such checks as we considered appropriate and according to information and explanations given to us, we further report that:

1. (a) The Company has maintained proper records, showing full particulars, including quantitative details and situation of fixed assets.
(b) The fixed assets have been physically verified by the management during the year and we have been informed that no material discrepancies were found on such verifications.
2. None of the fixed asset has been revalued during the year.
3. As explained to us, the stocks of stores, spare parts, raw materials have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its business.
4. In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
5. As explained to us there were no material discrepancies noticed on physical verification of the stocks of raw materials, stores and spares having regard to the size of the operations of the company and the same have been properly dealt with in the books of account.
6. The valuation of stocks is fair and proper and is in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. The Company has taken unsecured loans from Companies listed in the register maintained under Section 301 of the Companies Act, 1956. In our opinion the terms and conditions of the aforesaid loans are not prima facie prejudicial to the interest of the Company.

J.R. FOODS LIMITED

8. The Company has not granted any loans, secured or unsecured, to Companies, Firms or other parties listed in the register maintained under Section 301 of the Companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.
9. In respect of the loans or advances in the nature of loans given by the company to parties, they are generally repaying the principal amounts as stipulated and are also regular in the payment of interest.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.
11. According to the information and explanations given to us, the transaction of purchase of stores, raw materials, sale of goods and services made in pursuance of contracts or agreements entered in the registers maintained under Section 301 and aggregating to Rs.50,000/- or more during the year in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for stores, raw materials or services or the prices at which transactions for similar goods or services have been made with other parties.
12. According to the information and explanations given to us, the company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods. Adequate provision has been made in the accounts for the loss arising on the items so determined.
13. According to the information and explanations given to us, the company has not accepted deposits from the public.
14. In our opinion, reasonable records have been maintained by the company for the sale and disposal of realisable by-products and scrap wherever significant.
15. In our opinion the internal audit system of the Company is commensurate with its size and nature of its business.
16. The Central Government has not prescribed the maintenance of Cost Records Under Section 209(1) (d) of the Companies Act, 1956.
17. The company is regular in paying the provident fund dues to the appropriate authorities.
18. According to information and explanation given to us no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty were outstanding as on 31st March, 1998 for a period of more than six months from the date of becoming payable.
19. According to the information and explanation given to us and on the basis of records examined by us, no personal expenses of employees or Directors have been charged to Revenue Account other than those payable under contractual obligation or in accordance with generally accepted business practice.
20. The company is not a Sick Industrial Company within the meaning of Clause (O) of Sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. As regards the company's trading activities, damaged goods have been determined by the company and necessary provision has been made in the accounts for loss arising thereon.

Place: Pondicherry

Date : 27.06.1998

For, **GAYATHIRRI & Co.,**
Chartered Accountants,

(Vedaiyan Devadass)

Partner.