

J.R. FOODS LIMITED



THIRTEENTH ANNUAL REPORT

2005 - 06

BOARD OF DIRECTORS

Shri. J.K. KOTHARI

Shri. M. SIVAGURUNATHAN

Smt. KAMALA J. KOTHARI

Shri. G. ASHOKKUMAR

Shri. P.RAMAMOORTHY

MANAGING DIRECTOR

DIRECTOR

DIRECTOR

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 TO MEMBERS

NOTICE is hereby given that the Thirteenth ANNUAL GENERAL MEETING of J.R.FOODS LIMITED will be held at "J.K. Towers, 100 Feet Road, Pondicherry-605013, on Wednesday September 27, 2006 at 10.00 am to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2006 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.

2. To appoint a Director in place of Shri. M. Sivagurunathan who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint Auditors and fix their remuneration. The retiring auditors M/s. Gayathirri & Co., Chartered Accountants, Chennai are eligible for reappointment.

SPECIAL BUSINESS

4. Consider and if thought fit, to pass with or without modifications, the following resolutions as ORDINARY RESOLUTION:

RESOLVED that Shri. G. Ashokkumar be and is hereby elected as Director of the Company, liable to retire by rotation.

5. Consider and if thought fit, to pass with or without modifications, the following resolutions as ORDINARY RESOLUTION:

RESOLVED that Shri. P. Ramamoorthy be and is hereby elected as Director of the Company, liable to retire by rotation.

Registered office:

J.K. Towers, 100 Feet Road,

Pondicherry 605 013

Date : June 30, 2006

By Order of the Board

For **J.R. Foods Limited**

KAMALA J. KOTHARI

Director

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER, PROXIES TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

2. A short resume of the Directors proposed to be appointed/re-appointed as per Serial Numbers 2, 4 and 5 are enclosed as Annexure A to the Notice.

3. The register of members and share transfer books will remain closed from 21st September 2006 to 27th September 2006 (both days inclusive)

4. You are advised to send all your correspondence regarding change of address and share transfer documents to Cameo Corporate Services Limited, 1, Club House Road, Chennai-600 002.

ANNEXURE A

Details of Directors seeking appointments/re-appointment in Annual General Meeting scheduled to be held on September 27, 2006

(Pursuant to Clause 49 (IV)(E) and 49 (IV)(G)(i) of the Listing Agreement)

Name of Director	M.Sivagurunathan	G.Ashokkumar	P.Ramamoorthy
Date of Appointment	August 20,1993	March 10,2006	March 10,2006
Expertise in Specific Functional Area	Wide managerial experience	Rich experience in Administration	Rich experience in Technology
Qualification	Bachelor of Commerce and Chartered Accountant	Bachelor of Arts in English Literature	Pre University Course
List of outside Directorships held as on March 31,2006	Indian Companies Mallam India Ltd.,	-	-
Chairman/Member of the Committee of the Board of Directors of the Company as on March 31,2006	Audit Committee -Chairman & member	Audit Committee - member	Audit Committee - member
Chairman/Member of the Committee of Directors of other Companies in which he is a Director as on March 31,2006			
a. Audit Committee	Nil	Nil	Nil
b. Shareholder's Grievance Committee	Nil	Nil	Nil
c. Board Governance Committee	Nil	Nil	Nil
d. Compensation Committee	Nil	Nil	Nil
e. Other Committees	Nil	Nil	Nil
Number of shares held in the Company as on March 31,2006	131000	Nil	Nil

**EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE
COMPANIES ACT, 1956**

ITEM NO.4

Shri. G. Ashokkumar was appointed as an Additional Director of the Company by the Board at its meeting held on March 06, 2006, with effect from March 10, 2006 in accordance with Section 260 of the Companies Act, 1956. As required by Section 257 of the Act, a notice has been received from a member signifying his intention to propose the appointment of Shri. G.Ashokkumar as a Director along with a deposit of rupees five hundred. Except Shri. G.Ashokkumar, none of the other Directors are interested or concerned in this resolution. The Board of Directors commends the resolution for approval of the members.

ITEM NO.5

Shri. P. Ramamoorthy was appointed as an Additional Director of the Company by the Board at its meeting held on March 06, 2006, with effect from March 10, 2006 in accordance with Section 260 of the Companies Act, 1956. As required by Section 257 of the Act, a notice has been received from a member signifying his intention to propose the appointment of Shri. P.Ramamoorthy as a Director along with a deposit of rupees five hundred. Except Shri. P. Ramamoorthy, none of the other Directors are interested or concerned in this resolution. The Board of Directors commends the resolution for approval of the members.

By Order of the Board
For J.R. Foods Limited

Registered Office :

J.K. Towers,
100 Feet Road,
Pondicherry 605 013
Date: June 30, 2006.

KAMALA J. KOTHARI
Director

DIRECTORS' REPORT

Dear Shareholders,

The Directors present the Annual Report together with the audited Balance Sheet as at March 31, 2006 and Profit and Loss Account of the Company for the year ended March 31, 2006.

Performance of the Company

Your Company's performance during 2005-06 is summarized below:

Financial Results

	(Rs. in Lakhs)	
	2006	2005
Sales & Other Income (net of excise duty)	1074.72	2671.31
Profit before Depreciation and Interest	100.83	164.72
Depreciation	69.18	69.55
Interest	16.96	19.50
Profit before Tax	14.70	75.67
Provision for Tax	1.88	6.03
Profit after Tax	12.82	69.64
Balance Brought forward from		
Previous year	(127.90)	(197.54)
Balance Carried to Balance Sheet	(115.08)	(127.90)

Your Directors regret that they are unable to recommend any dividend for the year due to the accumulated loss though the Company has made net profit during the year.

Review of Operations & Prospects:

The Company's turnover during the year has come down due to drop in import of Crude Oil since there was huge rate fluctuation. Since the profit margin in imported oil was less during the period, the Company totally stopped importing Oil.

The Company's turnover during the year decreased considerably while comparing with the previous year. However, the Company's financial position for the year 2005-06 shows a modest profit of Rs.12.82 Lakhs.

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 read with Companies (Particulars of Employees) Rules, 1975

Directors' Responsibility Statement

The Directors hereby confirm that:

1. in the preparation of accounts for the financial year ended 31st March,2006, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for the year under review;
3. the Directors have taken proper and sufficient care for maintenance of adequate records in accordance with the provisions of the Companies Act,1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. the Directors have prepared the accounts for the financial year ended 31st March,2006 on a going concern basis.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Reports on Management Discussion and Analysis and on Corporate Governance have been included elsewhere in this report.

Directors

a. Re-appointment

Shri. M.Sivagurunathan retire by rotation and being eligible offers himself for re-appointment at this Annual General Meeting.

b. Appointment

Shri. G. Ashokkumar and Shri.P. Ramamoorthy were appointed as Additional Director of the Company by the Board of Directors with effect from March 10, 2006 in accordance with Section 260 of the Companies Act,1956. The requisite notices together with necessary deposits have been received from a members pursuant to Section 257 of the Companies Act,1956 proposing the election of Shri. G.Ashokkumar and Shri. P.Ramamoorthy as Director of the Company liable to retire by rotation.

Statutory Auditors

The existing statutory auditors M/s Gayathirri & Co., Chartered Accountants, Chennai, shall retire at the conclusion of the ensuing Annual General Meeting scheduled to be held on September 27, 2006 and offer themselves for re-appointment as the statutory auditors of the Company.

Public Deposits

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

Particulars under section 217 (1) E of the Companies Act,1956 and the Companies (Disclosure of Particulars in the report of Board of Directors) Rules,1988:

**A.DISCLOSURE OF PARTICULARS WITH RESPECT
TO CONSERVATION OF ENERGY**

Electricity

Units Consumed	1310390
Total amount	Rs. 3979338
Rate/Unit	Rs. 3.04
Own generation	
Through Diesel Generator	
Unit per Liter of Diesel Oil	Rs. 2.90
Rate per Unit	Rs. 10.45

B. CONSUMPTION PER UNIT PRODUCTION

Per tonne of Production	Rs. 226.39
Technology Absorption	Nil

C. FOREIGN EXCHANGE EARNINGS & OUTGO

i. Foreign Exchange Earnings	Nil
ii. Foreign Exchange Outgo	Rs. 2.40 Crores

Acknowledgements and Appreciation

The Directors take this opportunity to thank the Company's customers, shareholders, suppliers, bankers, financial institutions and Central & State Governments for their consistent support to the Company. The Directors also wish to place on record their appreciation to employees at all levels for their hard work, dedication and commitment.

For and on behalf of the Board

Kamala J. Kothari
Director

M. Sivagurunathan
Director

Pondicherry, June 30,2006

CORPORATE GOVERNANCE REPORT FORMING PART OF THE DIRECTOR'S REPORT OF J.R. FOODS LIMITED FOR THE YEAR ENDED 31 MARCH, 2006 PURSUANT TO ANNEXURE 1 C (MANDATORY REQUIREMENTS) READ WITH PARA VI OF CLAUSE 49 OF THE LISTING AGREEMENT ENTERED INTO WITH THE STOCK EXCHANGES IN INDIA.

Para 1. A brief statement on Company's philosophy on code of governance

The Company is committed to good corporate governance. It realizes the rights of the shareholders to information on the performance of the company. The basic philosophy of Corporate Governance of the Company is to achieve improved performance and dedicate itself to increase the long term shareholder value, keeping in view the needs and interests of its entire stakeholder. The Company believes in transparency in its dealings and adherence to basic ethics in business. The Company has initiated steps for implementation of the additional requirements of new Clause 49 of the Listing Agreement with the Stock Exchanges.

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Your Board of Directors presents the Corporate Governance Report for the year 2005-06.

Para 2. Board of Directors

i. Details of the Board composition, other Directorship and attendance are given below.

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors with three Independent Non-Executive Directors out of five Directors on the Board as on date. The Managing Director is an Executive Director and the number of Independent Non-Executive Directors on the Board is more than 50% of the Board strength at any point of time.

All Independent Non-Executive Directors comply with the requirements of the Listing Agreement for being "Independent Director". Further the Independent Directors have also affirmed that they satisfy all the prescribed requirements for being an Independent Director. "All the Directors of the Company have affirmed their compliance with the Company's Code of Conduct for Prevention of Insider Trading in its shares."