

J.R. FOODS LIMITED

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FOURTEENTH ANNUAL REPORT
2006-2007

J.R. FOODS LIMITED

BOARD OF DIRECTORS

Shri. J.K. KOTHARI	MANAGING DIRECTOR
Shri. M. SIVAGURUNATHAN	DIRECTOR
Smt. KAMALA J. KOTHARI	DIRECTOR
Shri. G. ASHOKKUMAR	DIRECTOR
Shri. P.RAMAMOORTHY	DIRECTOR

AUDITORS

Messrs. GAYATHIRRI & COMPANY

CHARTERED ACCOUNTANTS

CHENNAI – 600 001

REGISTERED OFFICE

J.K. TOWERS,
100 FEET ROAD,
PUDUCHERRY – 605 013.

WORKS

THIRUBHUVANAI VILLAGE
PUDUCHERRY – 605 107

J.R. FOODS LIMITED

NOTICE TO MEMBERS

NOTICE is hereby given that the **FOURTEENTH ANNUAL GENERAL MEETING** of J.R.FOODS LIMITED will be held at "J.K. Towers, 100 Feet Road, Puducherry-605013, on September 26, 2007 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, 2007 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 Mr. J.K.Kothari who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Kamala J. Kothari who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint Auditors and fix their remuneration. The retiring auditors M/s. Gayathirri & Co., Chartered Accountants, Chennai are eligible for reappointment.

SPECIAL BUSINESS

5. Consider and if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION:

RESOLVED that pursuant to Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, as amended, and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company, (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution), consent of the Company is hereby accorded to the Board to delist the Equity Shares of the Company from the Madras Stock Exchange Limited.

Registered office:

J.K. Towers, 100 Feet Road,
Puducherry 605 013

June 30, 2007

By Order of the Board

M. Sivagurunathan
Director

J.R.FOODS LIMITED

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. An Explanatory Statement pursuant to Sec. 173(2) of the Companies Act, 1956, is annexed.
3. A short resume of the Directors proposed to be appointed/re-appointed as per Serial Numbers 2 and 3 are enclosed as Annexure A to the Notice.
4. The register of members and share transfer books will remain closed from 20th September 2007 to 26th September 2007 (both days inclusive).
5. 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

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

The equity Shares of your Company have been listed on Bombay Stock Exchange(BSE) and Madras Stock Exchange(MSE). With the extensive networking of centres of the BSE and consequent upon the rapid changes in the capital market in relation to the manner of dealing in the securities of companies, the volume of trading in the Company's Equity Shares on the Madras Stock Exchange has been practically nil in the past few years. This does not justify the payment of listing fee and other expenses which the Company has been incurring. Your Directors therefore propose to apply for voluntary delisting of the Company's Equity Shares from the Madras Stock Exchange pursuant to SEBI (Delisting of Securities) Guidelines, 2003.

The proposed voluntary delisting will not adversely affect any investors including in the region where the Madras Stock Exchange is situated. No exit option is offered to the shareholders. The shares of the Company continue to be listed with Bombay Stock Exchange which has national connectivity. The Directors recommend the resolution at item No.5 for approval of the shareholders.

None of the Directors of the Company is interested in the passing of this resolution.

Registered Office :

J.K. Towers,
100 Feet Road,
Puducherry 605 013
June 30, 2007

By Order of the Board

M. Sivagurunathan
Director

J.R.FOODS LIMITED**Annexure B**

Details of Directors seeking appointments/re-appointment in Annual General Meeting scheduled to be held on 26th September, 2007

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

Name of Director	J.K. Kothari	Kamala J.Kothari
Date of Appointment	20thAugust ,1993	15th September,2004
Qualification	Bachelor of Science in Chemistry	Bachelor of Arts in English Literature.
Expertise in Specific Function area	Wide managerial experience	Experience in Administration
List of outside Directorships held as on March 31,2007	Indian Companies Mailam India Ltd., Pondicherry Extraction Industries (P) Ltd.,	Indian Companies Pondicherry Extraction Industries (P) Ltd., International Finance and Investments Ltd.,
Chairman/Member of the Committee of the Board of Directors of the Company as on March 31,2007	Member-Transfer and Investor's Grievance Committee	Audit Committee- Member Remuneration Committee-Member
Chairman/Member of the Committee of Directors of other Companies in which he is a Director as on March 31,2007		
a. Audit Committee	Nil	Nil
b. Shareholder's Grievance Committee	Nil	Nil
c. Board Governance Committee	Nil	Nil
d. Compensation Committee	Nil	Nil
e. Other Committees	Nil	Nil
Number of shares held in the Company as on March 31,2007	753700	74800

J.R.FOODS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

The Directors present the Annual Report together with the audited Balance Sheet and Profit and Loss Account of J.R. Foods Limited for the year ended 31st March, 2007.

Performance of the Company

Your Company's performance during 2006-07 is summarized below:

Financial Results

Particulars	(Rs. in Lakhs)	
	2007	2006
Sales & Other Income (net of excise duty)	1608.24	1074.72
Profit before Depreciation and Interest	83.49	86.14
Depreciation	68.86	69.18
Interest	31.00	16.96
Profit before Tax	14.63	14.70
Provision for Tax	2.40	1.88
Profit after Tax	12.23	12.82
Balance Brought forward from Previous year	(115.08)	(127.90)
Balance Carried to Balance Sheet	(102.85)	(115.08)

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

J.R.FOODS LIMITED

Review of Operations & Prospects:

The Company's turnover during the year has gone up by fifty percent compared to previous year due to increase in utilization capacity. However, the Company's financial position for the year 2006-07 shows a profit of Rs.12.23 Lakhs due to increase in the price of indigenous raw material (rice bran).

Directors' Responsibility Statement

The Directors hereby confirm that:

1. in the preparation of accounts for the financial year ended 31st March, 2007, 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, 2007 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.

J.R.FOODS LIMITED

Directors

Re-appointment

Mr. J.K. Kothari and Mrs. Kamala J. Kothari, retire by rotation and being eligible offer themselves for re-appointment at this Annual General Meeting.

Statutory Auditors

The existing statutory auditors M/s Gayathirri & Co., shall retire at the ensuing Annual General Meeting on September 26, 2007 and offer themselves for re-appointment as the statutory auditors of the Company pursuant to Section 224 of the Companies Act, 1956.

Public Deposit

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 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

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	1523230
Total amount	Rs. 4623897
Rate/Unit	Rs. 3.04

Own generation

Through Diesel Generator	
Unit per Liter of Diesel Oil	Rs. 2.90
Rate per Unit	Rs. 10.64

B. CONSUMPTION PER UNIT PRODUCTION

Per tonne of Production	Rs. 165.29
Technology Absorption	Nil

C. FOREIGN EXCHANGE EARNINGS & OUTGO

i.	Foreign Exchange Earnings	Nil
ii.	Foreign Exchange Outgo	Nil

Acknowledgements and Appreciation

The Directors take this opportunity to thank Company's customers, shareholders, suppliers, bankers and Central and 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

M. Sivagurunathan
Director

Kamala J. Kothari
Director

Puducherry, 30th June 2007

J.R.FOODS LIMITED

CORPORATE GOVERNANCE REPORT

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.

Your Board of Directors presents the Corporate Governance Report for the year 2006-07.

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 each of the Independent Directors also affirmed that he satisfies all the prescribed requirements for being an Independent Director.