

# **J. R. FOODS LIMITED**

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**FIFTEENTH ANNUAL REPORT**  
**2007-08**

## **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

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### **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 **FIFTEENTH ANNUAL GENERAL MEETING** of **J.R.FOODS LIMITED** will be held on **Monday, 29<sup>th</sup> September, 2008 at 10.00 am** at **"J.K. Towers, 100 Feet Road, Puducherry-605013**, to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2008 and the Profit and Loss Account for the year ended on that date with the Notes thereon and the Schedules thereto and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. G. Ashokkumar who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. P. Ramamoorthy who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUISNESS**

4. To consider and if thought fit, to pass, with or without modification the following resolution as an ordinary resolution:

**RESOLVED THAT** M/s. CNGSN & Associates, Chartered Accountants, Puducherry be and are hereby appointed as Auditors of the Company, in place of the retiring auditors M/s. Gayathirri & Co., Chartered Accountants, Chennai who have expressed in writing their inability to seek re-appointment, to hold office till the conclusion of the next Annual general meeting on a remuneration to be fixed by the Board of Directors of the Company.

**Registered office:**

J.K. Towers, 100 Feet Road,  
Puducherry 605 013  
30<sup>th</sup> June, 2008

By Order of the Board

**J.K. Kothari**  
Managing 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 hereto.
3. A short resume of the Directors proposed to be re-appointed as per Serial Numbers 2 and 3 is enclosed as Annexure A to the Notice.
4. The register of members and share transfer books will remain closed from 23<sup>rd</sup> September 2008 to 29<sup>th</sup> September 2008 (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.

### **EXPLANATORY STATEMENT PURSUANT TO SEC.173 (2) OF THE COMPANIES ACT, 1956**

#### *Item No. 4*

M/s Gayathirri & Co., Chartered Accountants, Chennai, the retiring Auditors have expressed in writing their inability to seek re-appointment at the 15<sup>th</sup> Annual General Meeting. A Notice has been received from a member proposing the appointment of M/s. CNGSN & Associates, Chartered Accountants, Puducherry, as Auditors of the Company to hold office till the conclusion of the next Annual general meeting on remuneration to be fixed by the Board of Directors of the Company. M/s. CNGSN & Associates, Chartered Accountants, have declared in writing their consent to act as Auditors of the Company if appointed and that the appointment, if made, will be in accordance with the limits specified in Sec. 224(1B) of the Companies Act, 1956. Your directors recommend the resolution.

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

By Order of the Board

Puducherry  
30<sup>th</sup> June, 2008

**J.K. Kothari**  
Managing Director

# **J. R. FOODS LIMITED**

## **Annexure A**

Details of Directors seeking re-appointment in Annual General Meeting scheduled to be held on 29<sup>th</sup> September, 2008

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

Name of Director	G. Ashokkumar	P. Ramamoorthy
Date of Appointment	10 <sup>th</sup> March , 2006	10 <sup>th</sup> March , 2006
Qualification	Bachelor of Arts in English Literature.	Pre University Course
Expertise in Specific Function area	Rich Experience in Administration	Rich Experience in Technology
List of outside Directorships held as on 31st March, 2008	Nil	Nil
Chairman/Member of the Committee of the Board of Directors of the Company as on 31st March, 2008	Audit Committee - Member	Audit Committee - Member
Chairman/Member of the Committee of Directors of other Companies in which he is a Director as on 31st March, 2008		
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 31st March, 2008	Nil	Nil

# J. R. FOODS LIMITED

## DIRECTORS' REPORT

Dear Shareholders,

The Directors present the Annual Report together with the audited Balance Sheet and the Profit and Loss Account of J.R. Foods Limited for the year ended 31<sup>st</sup> March, 2008.

### Performance of the Company

Your Company's performance during 2007-08 is summarized below:

### Financial Results

Particulars	(Rs. in Lakhs)	
	2008	2007
Sales & Other Income (net of excise duty)	1593.80	1608.24
Profit before Depreciation and Interest	109.21	114.50
Depreciation	66.89	68.86
Interest	49.64	31.00
Profit before Tax	-7.32	14.63
Provision for Tax	0.18	2.40
Profit after Tax	-7.50	12.23
Balance Brought forward from Previous year	(102.85)	(115.08)
Balance Carried to Balance Sheet	(110.35)	(102.85)

Your Directors regret that they are unable to recommend any dividend for the year, due to accumulated loss.

## **J. R. FOODS LIMITED**

### **Review of Operations & Prospects:**

The Company's turnover during the year has come down compared to previous year due to heavy price fluctuation. Due to a fire accident in the filling section of the works, stock and other assets were damaged to the extent of Rs.56.15 Lakhs. Hence, the Company's operations for the year 2007-08 show a loss of Rs.7.50 Lakhs.

### **Directors' Responsibility Statement**

#### **J. R. Foods Limited**

The Directors hereby confirm that:

1. in the preparation of accounts for the financial year ended 31<sup>st</sup> March, 2008, 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 loss 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 31<sup>st</sup> March, 2008 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.

A certificate of the Auditors on the Report on Corporate Governance is enclosed elsewhere in this Annual report.

## **J. R. FOODS LIMITED**

### **Directors**

Mr. G. Ashokkumar and Mr. P. Ramamoorthy, directors retire by rotation and being eligible offer themselves for re-appointment at this Annual General Meeting.

### **Statutory Auditors**

The retiring statutory auditors M/s Gayathirri & Co., Chartered Accountants, Chennai do not wish to be re-appointed at the forthcoming Annual General Meeting. A member of the Company has given a Notice proposing the appointment of M/s. CNGSN & Associates, Puducherry as the statutory auditors of the Company pursuant to Section 224 of the Companies Act, 1956. M/s. CNGSN & Associates have confirmed that they are eligible to be appointed.

### **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.

### **Auditors' Report**

With reference to the observations of the Auditors in item no.10 to the annexure to their report, it is clarified that:

1. Accounting Standard 22: The deferred tax liability will be adjusted against the profit in future years
2. Rice seized by the authorities of the Government of Puducherry from the premises rented out to Angel Candle Works in the factory godown was kept under police custody for 7months. Rent due to the company for this period amounting to Rs.16,64,250/- has not been accounted for as it can not be claimed. The tenant has been absconding since the seizure.

### **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**

	<b>2007-08</b>	<b>2006-07</b>
<b>Electricity</b>		
Units Consumed	1237080	1523230
Total amount	Rs. 3801432	Rs. 4623897
Rate/Unit	Rs. 3.07	Rs.3.04
<b>Own generation</b>		
Through Diesel Generator		
Unit per Liter of Diesel Oil	Rs. 2.90	Rs. 2.90
Rate per Unit	Rs. 11.25	Rs.10.64

**B. CONSUMPTION PER UNIT PRODUCTION**

Per tonne of Production	Rs. 194.25	Rs. 165.29
Technology Absorption	Nil	Nil

**C. FOREIGN EXCHANGE EARNINGS & OUTGO**

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

**J.K. Kothari**  
Managing Director

Puducherry, 30<sup>th</sup> June 2008

# **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.

### **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.