

# **J. R. FOODS LIMITED**

**EIGHTEENTH ANNUAL REPORT  
2010 - 11**

# **J. R. FOODS LIMITED**

## **BOARD OF DIRECTORS**

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

## **AUDITORS**

Messers. CNGSN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
4<sup>th</sup> CROSS, ANNA NAGAR,  
PUDUCHERRY - 605 004

## **COMPANY SECRETARY**

Smt. MADHAVI KOLA,  
J.K. TOWERS,  
100 FEET ROAD,  
PUDUCHERRY 605 013.

## **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 **EIGHTEENTH ANNUAL GENERAL MEETING** of **J.R.FOODS LIMITED** will be held on **Thursday, 29<sup>th</sup> September, 2011 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 31<sup>st</sup> March, 2011 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 Mrs. J.K. Kothari who retires by rotation and being eligible, offers herself 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.
4. To appoint Auditors and fix their remuneration. The retiring auditors M/s. CNGSN & Associates, Chartered Accountants, Pondicherry are eligible for reappointment.

By Order of the Board

**Registered office:**

J.K. Towers, 100 Feet Road,  
Puducherry 605 013  
30<sup>th</sup> May, 2011

**J.K. Kothari**  
Managing 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 re-appointed as per Serial Numbers 2 and 3 is enclosed as Annexure A to the Notice.
3. The register of members and share transfer books will remain closed from 23<sup>rd</sup> September 2011 to 29<sup>th</sup> September 2011 (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.

## 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, 2011

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

Name of Director	J.K. Kothari	P. Ramamoorthy
Date of Appointment	20 <sup>th</sup> August, 1993	10 <sup>th</sup> March, 2006
Qualification	Bachelor of Science in Chemistry	Pre University Course
Expertise in Specific Function area	Wide managerial experience	Rich Experience in Technology
List of outside Directorships held as on 31 <sup>st</sup> March, 2011	<b>Indian Companies</b> Mailam India Ltd., Pondicherry Extraction Industries (P) Ltd.,	Nil
Chairman/Member of the Committee of the Board of Directors of the Company as on 31 <sup>st</sup> March, 2011	Member - Transfer and Investor's Grievance Committee	Audit Committee Member
Chairman/Member of the Committee of Directors of other Companies in which he is a Director as on 31 <sup>st</sup> March, 2011		
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 31 <sup>st</sup> March, 2011	753700	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, 2011.

### **Performance of the Company**

Your Company's performance during 2010-11 is summarized below:

### **Financial Results**

<b>Particulars</b>	<b>(Rs. in Lakhs)</b>	
	<b>2011</b>	<b>2010</b>
Sales & Other Income (net of excise duty)	1472.52	755.76
Profit/Loss before Depreciation and Interest	102.12	94.63
Depreciation	63.12	67.84
Interest	62.94	60.52
Loss before Tax	(23.93)	(33.72)
Provision for Tax	0.0	0.0
Loss after Tax	(23.93)	(33.72)
Balance Brought forward from Previous year	(582.37)	(548.65)
Balance Carried to Balance Sheet	(606.30)	(582.37)

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

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

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

Due to renovation and technical modification of refinery unit carried out in the previous year the Company's turnover during the year has almost doubled while compared to the previous year. The impact of the heavy local competition in procuring the Raw materials tuned the cost of manufacturing to a very high which result the loss.

The Company has incurred a loss during the previous year despite of its best efforts towards cost control.

The Company received during the year the approval of its shareholders by postal ballot to increase its authorized capital to Rs. 40.00 crores and to transfer, sell and/or dispose off the whole or part of the land, building, plant and machinery, etc. of the Company located at Thirubuvanai, Puducherry , for such consideration as the Board of Directors of the Company may think fit.

### **Directors' Responsibility Statement**

The Directors hereby confirm that:

1. in the preparation of accounts for the financial year ended 31<sup>st</sup> March, 2011, 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, 2011 on a going concern basis.

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

### **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.

### **Directors**

Mr. J. K. Kothari 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. CNGSN & Associates, Chartered Accountants, Puducherry retire at the ensuing Annual General Meeting and offer themselves for reappointment as the statutory auditors of the Company pursuant to Section 224 of the Companies Act, 1956.

### **Public Deposit**

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: As per the accounting policy the deferred tax liability of Rs.24,29,267/- arising out of timing differences has not been recognized in books of accounts in view of the carry forwarded losses and will be adjusted only if there will be sufficient taxable income available to realize such losses.

### **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**

	2010 - 11	2009 - 10
<b>Electricity</b>		
Units Consumed	804320	513950
Total amount	Rs.3105258	Rs.1962848
Rate/Unit	Rs.3.86	Rs.3.82
<b>Own generation</b>		
Through Diesel Generator		
Unit per Liter of Diesel Oil	2.90	2.90
Rate per Unit	Rs.13.46	Rs.12.69

**B. CONSUMPTION PER UNIT PRODUCTION**

Per tonne of Production	Rs.384.34	Rs.242.59
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

**Kamala J. Kothari**  
Director

**J.K. Kothari**  
Managing Director

Puducherry, 30<sup>th</sup> May 2011



# **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 two Independent Non-Executive Directors out of four 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.

## J. R. FOODS LIMITED

The Composition of the Board of Directors as on Mar. 31, 2011 as follows:

Name	Category	Designation	Date of Appointment	Directorship in other Companies	Chairmanship of Committees of Board of other Companies	Membership of Committees of Boards of other companies
J.K. Kothari	Promoter Director	Managing Director	20.08.1993	2	-	-
Kamala J.Kothari	Promoter Non-Executive Director	Director	15.09.2004	1	-	-
G. Ashokkumar	Independent Non-Executive Director	Director	10.03.2006	-	-	-
P. Ramamoorthy	Independent Non-Executive Director	Director	10.03.2006	-	-	-

**ii. The attendance of the Directors at the Board meetings and AGM held during the year is as follows:**

Director	Number of meetings held	Number of meetings attended	Attendance at the AGM held on 30 <sup>th</sup> September 2010 (Yes / No)
J.K. Kothari	6	6	Yes
M.Sivagurunathan	6	2	Yes
Kamala J.Kothari	6	6	Yes
G. Ashokkumar	6	6	Yes
P. Ramamoorthy	6	5	Yes