

J. R. FOODS LIMITED

BOARD OF DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in submitting their 25th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2018

1. FINANCIAL RESULTS

The Company's financial performance for the year under review along with previous year's figures are given hereunder:

Particulars For the Year ended 31.03.2018

	(Rs. In Lakhs)	
	For the year ended 31/03/2018	For the year ended 31/03/2017
Net Sales /Income from Business Operations	17662.84	13184.41
Other Income	137.57	45.46
Total Income	<u>17800.41</u>	<u>13229.87</u>
Profit Before Depreciation/ Interest	395.32	323.43
Less Interest	141.65	131.41
Less Depreciation	<u>62.39</u>	<u>45.44</u>
Profit after Depreciation and Interest	191.28	146.58
Less Current Income Tax	40.10	27.94
Less Previous year adjustment of Income Tax	0	0
Less Deferred Tax	0	0
Net Profit after Tax	151.18	118.64
Dividend (including Interim if any and final)	<u>0</u>	<u>0</u>
Net Profit after Dividend and Tax	151.18	118.64
General Reserve at the beginning of the year	(270.65)	(389.29)
Amount Transferred to General Reserve	151.18	118.64
Balance carried to Balance Sheet	<u>(119.47)</u>	<u>(270.65)</u>
Earning per share (Basic) Rs.	1.59	1.25
Earning per Share(Diluted) Rs.	1.59	1.25

2. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

Besides the expansion in the production capacity and technical modifications during the year there was a slight increase of 25.60% in turnover during the year when compared to the previous year. In spite of the severe draught the availability of raw material for extraction plant was totally affected. The impact of demonitisation and frequent price fluctuation of raw material in international market and volatile foreign exchange fluctuations affected the profitability of the company very much. Thus the Company earned a profit of 0.90% when compared to previous year profit of 0.87%.

The company will expand its market participation and continue to achieve a drastic growth along with increase in profitability in the coming years as the demand for edible oil in the local market is considerably increasing.

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3. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mrs. Kamala J Kothari, Director, retires at this Annual General Meeting and being eligible offers herself for re election.

The information required under Section 197 (12) of the Companies Act, 2013 and the rules made thereunder, as amended, has been given in **Annexure V** appended hereto and forms part of this report

4. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are 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 and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. Internal financial control means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018 ("SEBI LODR Regulations") is given separately forming part of this Annual Report.

6. REPORT ON CORPORATE GOVERNANCE

The Report on Corporate Governance and the certificate from M/s. Balaji & Gopalan, Chartered Accountants, confirming compliance with the conditions of Corporate Governance form part of this report.

7. AUDITORS

(i) Statutory Auditors

Pursuant to Section 139 of the Companies Act, 2013 and Rules made thereunder the re-appointment of **M/s. Balaji & Gopalan**, Chartered Accountants, No. 43 Motilal Street, T Nagar, Chennai-600017, Firm Regn. No. 008874S, as the statutory auditors of the Company to be ratified at the ensuing Annual General Meeting. The Company has received a certificate from the above Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

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(ii) Secretarial Auditor & the Secretarial Audit Report

Mr. S. Ananthanarayan, Practicing Company Secretary was appointed as Secretarial Auditor by the Board of Directors for the financial year 2017-18 and his report is attached separately to this report.

8. DIVIDEND

No Dividend is being proposed for the current financial year due to the carried forward loss.

9. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

10. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign exchange earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure I** attached to this report.

12. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

As the element of risk threatening the Company's existence is very minimal, the risk management system has yet to be implemented

13. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable due to carried forward loss.

14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review. Disclosure in Form AOC2 is furnished in **Annexure II** is attached to this report

16. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There were no qualification, reservation or adverse remarks made by the either by the Auditors or by the Practicing Company Secretary in their respective reports.

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17. COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in **Annexure III** and is attached to this report

18. ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in **Annexure IV** and is attached to this Report.

19. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company held 6 Board meetings during the financial year under review.

20. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

21. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

22. DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

23. RISK MANAGEMENT POLICY

The Statement showing the details regarding the development and implementation of Risk Management Policy of the Company is furnished in **Annexure VI** and attached to this report. The risk management includes identifying types of risks and its assessment, risk handling and monitoring and reporting.

24. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The Audit Committee consists of the following members

- a. G. Ashokkumar
- b. D. Gopi
- c. Kamala J Kothari

The above composition of the Audit Committee consists of independent Directors viz., Mr. G. Ashokkumar and Mr. D. Gopi, who form the majority.

The Company has established a vigil mechanism and overseas through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee for reporting issues concerning the interests of co employees and the Company. The Whistle Blower Policy is available on the website of the company viz., www.jrfoods.in

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25. SHARES

a. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

b. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

c. BONUS SHARES

No. Bonus Shares were issued during the year under review

d. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

26. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances. The Company has a strong monitoring and reporting process resulting in financial discipline and accountability.

27. CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year under review, the Company is not required to comply with the provisions related to Corporate Social Responsibility on the basis of its financial statement.

28. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant and material orders have been passed by the regulators or courts or tribunals, impacting the going concern status and company's operations in future.

29. HUMAN RESOURCES

There are no employees as on date on the rolls of the Company who are in receipt of Remuneration which requires disclosures under Section 134 of the Companies Act, 2013 and Companies (Particulars of Employees) Rules, 1975.

During the year under review, relationship with the employees is cordial.

30. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Kamala J. Kothari
DIN: 00005321
Director

Dinesh Kothari
DIN: 00850924
Director

Place: Puducherry

Date: 28th August, 2018