

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.

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 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.

The Composition of the Board of Directors as on March 31, 2018 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
Kamala J.Kothari	Promoter Non-Executive Director	Director	28.09.2005	2	-	-
Dinesh Kothari	Promoter Executive Director	Whole Time Director	18.07.2012	2	-	-
G. Ashokkumar	Independent Non-Executive Director	Director	10.03.2006	-	-	-
D. Gopi	Independent Non-Executive Director	Director	01.10.2015	-	-	-

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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 th September 2017 (Yes/No)
Kamala J. Kothari	8	8	Yes
Dinesh Kothari	8	8	Yes
G. Ashokkumar	8	8	Yes
D.Gopi	8	8	Yes

Familiarisation program

The company regularly communicates with all Independent Directors to provide detailed understanding of the activities of the company including specific projects either at the meeting of the Board of Directors or otherwise. The induction process is designed to build an understanding of the company's business and the markets to equip the Directors to perform their role on the Board effectively. Independent Directors are also taken through various business situations, nature of the industry, business model etc by way of presentations and discussions.

The details of directors induction and familiarisation are available on the company's website at www.jrfoods.in.

Particulars of Directors appointed/re-appointed/resigned

As per the provisions of the Articles of Association of the Company, Mrs. Kamala J Kothari, director retires by rotation and being eligible offer herself for re-appointment at the forthcoming Annual General Meeting.

In terms of the SEBI LODR Regulations, a brief resume of the Directors proposed to be re-appointed at the ensuing Annual General Meeting is provided as an Annexure to the Notice of the Annual General Meeting.

i. Directors' membership in board/committees of other companies

In terms of the SEBI LODR Regulations, none of the Directors of the Company were members in more than 10 committees nor acted as chairman of more than five committees across all companies in which they were Directors. Details of other Directorships/Committee membership/Chairmanship held by them are given in Para 2 i) above.

ii. Number of Board meeting held, dates on which held.

During the financial year 2017-18, the Board met Eight times, on 30th May 2017, 30th June 2017, 31st July, 2017, 31st October 2017, 31st January 2018, and 25th February 2018, 12th March 2018, 29th March 2018. The gap between any two successive Board meetings did not exceed four months.

Code of Conduct

Pursuant to SEBI LODR Regulations, the Board has approved a code of conduct for the Board of Directors and senior management and the same has been circulated. The Board of Directors and senior management personnel have affirmed their compliance with the provisions of the code of conduct.

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Audit Committee:

i. Brief description of the terms of reference of the Audit Committee

The Audit committee reviews, acts and reports to the Board of Directors with respect to:

- auditing and accounting matters, including the appointment of Statutory auditors;
- compliance by the Company with legal and statutory requirements;
- integrity of the Company's financial statements, the scope of the annual audits, and fees to be paid to the Statutory auditors.
- performance of the Company's internal audit function, Independent Auditors and accounting practices.

The Audit Committee reviews the unaudited quarterly and yearly audited financial results with the management before submitting them to the Board for its consideration and approval. The Chairman of the Audit Committee is present at the Annual General Meeting.

ii. Composition of Audit Committee

The Audit Committee consists of the two independent non-executive Directors and one non-executive Director. All the Members of the Audit committee of the Company are financially literate with the Chairman of the Committee having the accounting or related financial management expertise. None of the members receives, directly or indirectly, any consulting, advisory or compensatory fees from the Company other than their remuneration as Director.

Mr. G. Ashokkumar	-	Chairman
Mr. D.Gopi	-	Member
Mrs. Kamala J.Kothari	-	Member

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Board has approved the Code of Conduct for prevention of insider trading and authorized the Audit Committee to implement and monitor the requirements set out in the code.

iii. Meetings and attendance during the year

The Audit committee met four times during the financial year 2017-18 on 30th May 2017, 31st July 2017, 31st October 2017 and 31st January 2018.

Name	Number of meetings held during the year	Number of meetings attended during the year
G. Ashokkumar	4	4
D. Gopi	4	4
Kamala J. Kothari	4	4

Nomination and Remuneration Committee

The Remuneration Committee consisted of the following Directors.

1. Mrs. Kamala J. Kothari
2. Mr. G. Ashokkumar
3. Mr. D. Gopi

The Committee considered and approved the terms of remuneration payable to M/s. Balaji & Gopalan, statutory Auditors on their appointment.

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Board Evaluation

The Nomination & Remuneration Committee (N&RC) of the company approved an evaluation policy which provides for evaluation of the Board, the Committees of the Board and individual directors.

Pursuant to Schedule IV of the Companies Act 2013, the independent directors of the company convened on 20th March 2018 an exclusive meeting without the attendance of non-independent Directors and members of management to review..

- (i) the performance of non-independent Directors and the Board as a whole;
- (ii) the performance of the Chairman of the Company; and
- (iii) Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

On the same day, the performance evaluation of the independent directors was also done by the entire Board excluding the directors being evaluated.

Stakeholders' Relationship Committee.

Stakeholders' Relationship Committee consisting of Shri. Dinesh Kothari and Shri.D Gopi. The Committee Met 12 times during the financial year 2017-18 on 24th June, 2017, 24th July, 2017, 28th July, 2017, 30th October, 2017, 06th November, 2017, 17th November, 2017, 04th December, 2017, 18th December, 2017 and 13th January, 2018, 30th January, 2018, 9th February , 2018, 27th February , 2018 to consider and approve transfers of shares.

Mrs. K. Mahalakshmi, Company Secretary is the Compliance Officer.

General Body meetings

The Date, location and time of the last three AGMs are as follows:

Year	Location	Date	Time
2014-15	J.K. Towers,100 Feet Road, Puducherry-605 013.	22.09.2015	10.00 a.m
2015-16	J.K. Towers,100 Feet Road, Puducherry-605 013.	28.09.2016	10.00 a.m
2016-17	J.K. Towers,100 Feet Road, Puducherry-605 013.	30.09.2017	10.00 a.m

Disclosures:

During the year 2017-18, no transactions of material nature had been entered into by the Company with the management or their relatives that may have a potential conflict with interest of the Company. None of the Non-executive Directors has any pecuniary material relationship or transaction with the Company for the year ended March 31, 2018 and has given undertaking to that effect.

Means of Communication

i. Financial Results:

The quarterly unaudited financial results, the half yearly unaudited financial results and the audited financial results are normally published in Trinity Mirror and Makkal Kural (Tamil).

ii. Annual Report:

The Annual Report is dispatched to the shareholders in the month of August.

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General Shareholder's information:

i. AGM: Date, time and Venue

The forthcoming Annual General Meeting of the Company will be held on Saturday, 29th September 2018 at 10.00 am at J.K. Towers, 100 Feet Road, Puducherry – 605 013.

ii. Financial Calendar of the Company

The financial year covers the period from 1st April to 31st March.

Financial Reporting for

Quarter ending 30 th June, 2018	-	End July, 2018
Half-year ending 30 th September, 2018	-	End October, 2018
Quarter ending 31 st December, 2018	-	End January, 2019
Year ending 31 st March, 2019	-	End May, 2019

The above dates are indicative

iii. Book Closure

The Company's Register of Members and Share Transfer books will remain closed from 25th September, 2018 to 29th September, 2018 (both days inclusive)

iv. Shareholding Pattern as on 31st March, 2018

Sl.No.	Category	No. of Shares held	Percentage of Holdings
1	Directors & their relatives	55,96,300	58.91
2	Institutional Investors Nationalised Bank	10,000	0.11
3	Corporate Bodies	2,01,470	2.12
4	Public	36,92,230	38.86
Total		95,00,000	100.00

v. Distribution of Shareholding as on 31st March, 2018

Category	No. of Shareholders	%	No. of Shares Held	%
10 - 5000	2383	62.5459	938788	9.8819
5001 - 10000	811	21.2860	750360	7.8985
10001 - 20000	328	8.6089	548770	5.7765
20001 - 30000	155	4.0682	405997	4.2736
30001 - 40000	30	0.7874	115900	1.2200
40001 - 50000	39	1.0236	192100	2.0221
50001 - 100000	38	0.9973	314185	3.3072
100001 - And Above	26	0.6824	6233900	65.6200
Total :	3810	100.0000	9500000	100.0000

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vi. Listing on Stock Exchanges

The shares are listed on the Stock Exchange at Mumbai. However, trading on the shares of the Company has been infrequent. Share Code of the **BSE** is **530915**

vii. Listing fee for 2017-2018:

Annual Listing Fees for the year ended March 2018 have been paid to the above Stock Exchange

viii. Share Transfer Process

The Transfers of Shares are approved by a committee consisting of Smt. Kamala J.Kothari and Shri. D.Gopi

ix. Dematerialisation of Shares

In terms of the directive of the Securities and Exchange Board of India, the company has sought to have its shares dematerialized and has entered into agreements with **CDSL and NSDL**.

ISIN allotted to the Company is INE989E01018 for dematerialization of its shares.

It has appointed Cameo Corporate Service Limited., 1 Club House Road, Chennai- 600 002 as its Share Transfer Agents in respect of both physical and electronic holding of shares.

x. Outstanding ADR/GDR/ Warrants

There are no outstanding ADR/GDR/Warrants or convertible instruments.

xi. Outstanding Fixed Deposits

There are no outstanding/matured Fixed Deposits.

xii. Plant location:

Thirubuvanai Village, Puducherry-605 107.

xiii. Address for Correspondence:

1. Registrar and Share Transfer Agents:

Cameo Corporate Services Ltd.,

No.1, Club House Road, Chennai – 600 002.

Ph: 044-28460390(6 lines) Fax:044-28460129

2. Company – Registered Office:

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

Ph:0413- 2640427

Non mandatory requirements

The Company has not adopted the non-mandatory requirements.

For and on behalf of the Board

Kamala J. Kothari
DIN: 00005321
Director

Dinesh Kothari
DIN: 00850924
Director

Place: Puducherry

Date: 28th August, 2018