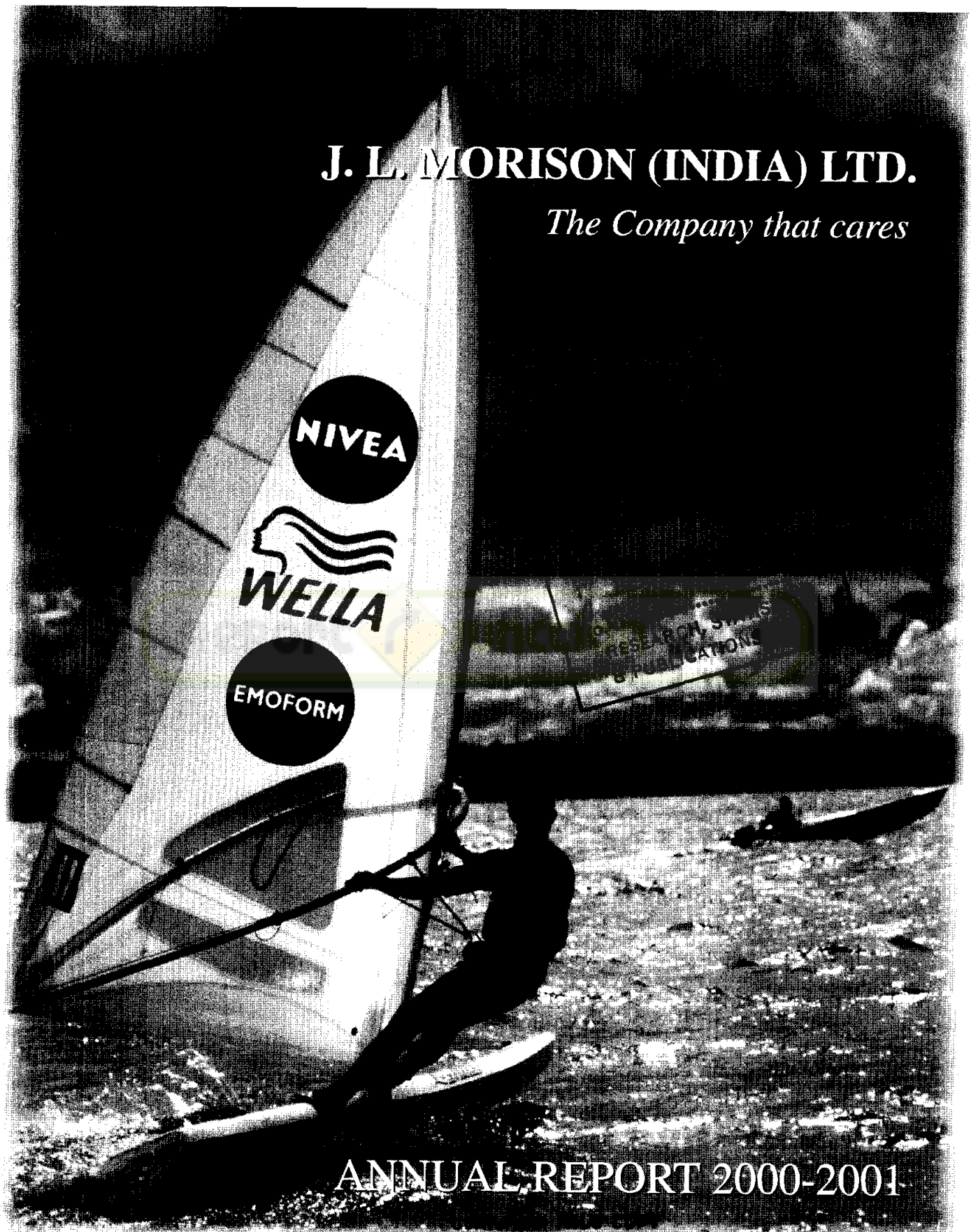


# J. L. MORISON (INDIA) LTD.

*The Company that cares*



## ANNUAL REPORT 2000-2001

J. L. MORISON (INDIA) LIMITED

*Atchannaidu*

Company Secretary.

# J. L. MORISON (INDIA) LTD.



*The Company that cares*

## BOARD OF DIRECTORS

RAGHU MODY	Chairman
B M KHAITAN	
LAWSON LYON	
BRIAN MCMULLEN	
LT. GEN. (RETD.) K.S. BRAR	
DR. R. SRINIVASAN	
VIMAL BHANDARI	
SAMARESH CHAKRABARTI	Managing Director
JIMMY ANKLESARIA	Dy. Managing Director
DR. ANIL GANDHI	Director- Technical

## PRESIDENT - CORPORATE AFFAIRS

PALLAWI PODAR

## PRESIDENT CUM SECRETARY

R.K. AGRAWAL

## BANKERS

CANARA BANK  
BANK OF INDIA  
VIJAYA BANK  
ICICI BANK

## SOLICITORS

KHAITAN & CO.

## AUDITORS

S.R. BATLIBOI & COMPANY  
Chartered Accountants

## REGISTERED OFFICE

RASOI COURT  
20 SIR R.N. MUKHERJEE ROAD  
KOLKATA 700 001.

## HEAD OFFICE

"CRYSTAL"  
79 DR. A.B. ROAD  
WORLI, MUMBAI 400 018

## BRANCHES

MUMBAI  
KOLKATA  
DELHI  
CHENNAI

## WORKS

AURANGABAD



# J. L. MORISON (INDIA) LTD.

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## NOTICE

NOTICE is hereby given that the Sixty-sixth Annual General Meeting of the Members of J L Morison (India) Limited will be held at Shripati Singhania Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata -700 020 on Wednesday, the 22nd day of August 2001, at 3.00 p.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2001 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in the place of Lt. Gen. (Retd.) K S Brar, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in the place of Mr. B M Khaitan, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in the place of Mr. Lawson Lyon, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

7. To consider and if deem fit to pass with or without modification the following resolution as an Ordinary Resolution.

"RESOLVED that Mr. Jimmy Anklesaria be and is hereby appointed as a Director of the Company, liable to retire by rotation."

8. To consider and if deem fit to pass with or without modification the following resolution as an Ordinary Resolution.

"RESOLVED that subject to the provisions of section 198, 269 and 309 of the Companies Act, 1956 read with schedule XIII to the said Act the Company hereby approves appointment of Mr. Jimmy Anklesaria as a whole-time Director, designated as Dy. Managing Director w.e.f. 3.10.2000 for a period of 5 years on the terms and conditions including his remuneration as approved by the Board of Directors at its meeting held on 21st Sept. 2000."

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution.

9. To consider and if deem fit to pass with or without modification the following resolution as a Special Resolution;

"RESOLVED that pursuant to the provisions of sub-section (1B) of Section 314 and other applicable provisions of the Companies Act 1956 and subject to the approval of the

Central Government, if required, consent of the Company be and is hereby given to the appointment of Smt. Pallawi Podar, relative of Shri R N Mody - Chairman of the Company, to hold an office or place of profit as "**PRESIDENT - CORPORATE AFFAIRS**" of the Company on the terms and conditions as embodied in the agreement at a remuneration of Rs.25000/- per month and other perquisites as allowable to other executives of the Company."

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to effect such modifications in the remuneration or the scale or any other perquisites payable to Smt. Pallawi Podar (not being more advantageous to Smt. Pallawi Podar) as may be approved by the Central Government and as may be agreed to by the Board of Directors of the Company and Smt. Pallawi Podar.

### NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member. The Proxy form should be deposited at the Registered Office of the Company not later than 48 hours before the meeting.
2. The Register of Members of the Company will remain closed from - Friday, 17th August 2001 to Wednesday, 22nd August, 2001 (both days inclusive).
3. Shareholders are requested to forward all share transfers and communication to the Head Office at Bombay at "Crystal" 79, Dr. A B Road, Worli, Bombay 400018.
4. The dividend, when declared, will be paid to those Members whose name appear in the Company's Register of Members as on 22nd August, 2001.
5. Shareholders are requested to bring their copies of the Annual Report to the Meeting.
6. The shareholders, holding shares in identical order of names in more than one folio, are requested to write to the Company enclosing their share certificates to enable the Company to consolidate their holding on one folio.

By Order of the Board

R K AGRAWAL  
Company Secretary

Dated : June 12, 2001

Registered Office  
Rasoi Court  
20 Sir R N Mukherjee Road  
Kolkata 700 001.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956.

Item no.7 & 8

Mr. Jimmy Anklesaria was appointed by the Board as Additional Director in pursuance of section 260 of the Companies Act 1956,

**J. L. MORISON (INDIA) LTD.***The Company that cares*

at the Board Meeting held on 21st September 2000. Mr. Jimmy Anklesaria continues to hold office as Additional Director till the date of ensuing Annual General Meeting.

Notice has been received from a Shareholder as per section 257 of the Companies Act, 1956 together with a required deposit proposing the appointment of Mr. Jimmy Anklesaria as Director.

The Board of Directors at their Meeting held on 21st September 2000, appointed Mr. Jimmy Anklesaria as Dy. Managing Director for a period of 5 years w.e.f. 3.10.2000 on the following terms and conditions.

**a) REMUNERATION :**

- a) Salary : Rs.7.50 lacs per annum.
- b) Perquisites
  - i. He shall be entitled to perquisites like leave travel assistance for self and family, medical reimbursement, uniform allowance, reimbursement of electricity charges etc., in accordance with the Company's rules, the value of such perquisites being restricted to Rs.3 lacs per annum. And
  - ii. Company's contribution to provident fund and superannuation fund, not exceeding 27% of the remuneration, gratuity payment as per the Company's rules and encashment of leave at the end of his tenure shall not be included in the computation of ceiling on remuneration or perquisites as aforesaid.

With an authority to the Chairman of the Board of Directors to revise upward at his discretion from time to time the remuneration, to bring to the level prescribed by Schedule XIII to the Companies Act 1956 or any amendments thereof.

The appointment of Mr. Jimmy Anklesaria as Whole-time Director of the Company can be terminated by either party giving to the other Two month's notice or upon Mr. Jimmy Anklesaria's ceasing to be the Director of the Company.

Mr. Jimmy Anklesaria, is interested in the passing of the above resolution.

The Directors are of the opinion that his services on the Company Board would be very useful, in view of his experience in business.

The Directors commend the resolution for approval.

Item no. 9

Smt. Pallawi Podar who is daughter of Shri R N Mody, Chairman of the Company has been selected by your Board of Directors to

hold the position of "PRESIDENT - CORPORATE AFFAIRS" of the Company on the following terms and conditions :

**REMUNERATION**

- a. Salary : Rs. 3 lacs per annum.
- b. Perquisites
  - i. She shall be entitled to perquisites like leave travel assistance for self and family, medical reimbursement, reimbursement of electricity charges etc., in accordance with the Company's rules, the value of such perquisites being restricted to Rs.2 lacs per annum. And
  - ii. Company's contribution to provident fund and superannuation fund, not exceeding 27% of the remuneration, gratuity payment as per the Company's rules and encashment of leave at the end of her tenure shall not be included in the computation of ceiling on remuneration or perquisites as aforesaid.

Sub-section (1B) of Section 314 of the Companies Act 1956, provides that no relative of a Director should either hold or continue to hold any office or place of profit in the company which carries a total monthly remuneration of not less than Rs. 20000/- per month except with the prior consent of the company by a special resolution and also the approval of the Central Government.

A copy of agreement entered into with Smt. Pallawi Podar has been kept for the inspection of the members between 11 a.m. to 2.00 p.m. during the working days of the Company.

Apart from salary, as mentioned above, provision has been made in the said service agreement for usual allowance and perquisites available to other senior executives of the company, such as, benefit of a free furnished accommodation, company's car with a driver, reimbursement of entertainment expenses within the rules of the company, entitlement to the benefit of company's superannuation and provident fund etc.,

None of the Directors, except Shri R N Mody are directly or indirectly interested in the aforesaid resolution.

By Order of the Board

R K AGRAWAL  
Company Secretary

Dated : June 12, 2001

Registered Office  
Rasoi Court  
20 Sir R N Mukherjee Road  
Kolkata 700 001.



# J. L. MORISON (INDIA) LTD.

*The Company that cares*

## DIRECTORS' REPORT

To the members

Your Directors have pleasure in presenting the 66th Annual Report and Statement of Accounts of the Company for the financial year ended 31st March 2001.

	2000 / 2001 Rs. (lacs)	1999 / 2000 Rs. (lacs)
Sales & Other Income	5092	4121
Cost of Sales	4717	3843
Gross Profit	375	278
Interest (Net)	26	35
Depreciation	43	37
Profit Before Tax	306	206
Provision for Taxation	118	66
Disposable Profits	188	140
Dividend	34	27
Dividend Tax	4	3
Transfer to General Reserve	150	110

### Dividend

Your Directors recommend a Dividend of 25% i.e. Rs. 2.50 per share. (Previous year 20%).

### Personal Care

During the year the Personal care business of the Company has shown extremely good results. Besides NIVEA Crème, the NIVEA Body, NIVEA Visage and the NIVEA For Men (NFM) range have performed better than the market growth. The Launch of the new NIVEA Body Talc - Bouquet and NIVEA For Men Musk Talc have been extremely well received by the consumer and have helped the brand get its due share in the retail shelves in the first year of the relaunch.

### Healthcare

The speciality toothpaste brand EMOFORM for sensitive teeth continues to perform steadily, supported by media advertising as an OTC brand. Two new brand extensions under the EMOFORM brand name were tested out with reasonable degree of success in the test market. PEARLZ cleaning and polishing paste for dazzling teeth was also test marketed.

The MORISON Baby range of feeders and teats continues its small contribution to the company's revenues.

### Hair Cosmetics

The Wella range of haircare products in the Professional segments introduced in the middle of last year continued to grow. The Retail segment of this business shows a smaller opportunity as compared to the Professional market where Wella enjoys a leadership position. However the free availability of grey market products at cheaper prices is affecting the category sales in the superior retail stores.

In addition to the Koleston Perfect range of colours, Wella introduced Blonder (Bleach) and the Lifetex range of Shampoos and Conditioners.

### Public Deposits

As of 31st March 2001 there are no Public Deposits which are due.

### Cost Audit

Pursuant to the provisions of section 233-B of the Companies Act, 1956 the Central Government had directed your Company to conduct audit of the Cost Accounts relating to its Cosmetic & Toiletries products. An Application for appointment of Cost Auditor for conducting the Cost Audit for the year ended 31.3.2001 has been submitted to Central Government. Your company has also made an application for exemption from Cost Audit for its formulation products from 1998/99 onwards. Decision awaited.

### Auditors' Report

The observations made by the Auditors in their Report are self explanatory and have also been further clarified in the Notes to the Accounts.

### Cash flow statement

In accordance with the requirement of Clause 32 of the Listing Agreement to the Stock Exchanges, a cash flow statement duly verified by your Auditors together with their certificate is annexed hereto.

### Technology Centre

Good Manufacturing Practices were introduced, by our Waluj factory, which has also imbibed the discipline of a multinational cosmetics products manufacturer.

Technical representative from Beiersdorf visited Waluj in July 2000 as a part of globalisation programme. Most of the plant scale batches have met the Beiersdorf quality requirement. Time table for implementation of the global formula has been drawn up.

Packaging materials and product presentation were substantially improved during the year.

### Foreign Exchange earnings and outgo

During the financial year, total foreign exchange used and earned was Rs.234.94 lacs and Rs. Nil respectively.

### Particulars of Conservation of Energy, Technology Absorption

Report required to be made pursuant to clause (e) of sub-section (1) of Section 217 of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report is Annexed to this Report.

### Particulars of Employees

During the year there were no employees in respect of whom information as per section 217(2A) of the Companies Act, 1956 is required to be given in the Director's Report.

### Directors

Mr. Jimmy Anklesaria has been appointed as Dy. Managing Director of the Company w.e.f. 3rd October 2000. Mr. Anklesaria's appointment is placed before the Members for approval.

Lt.Gen.(Retd.) K S Brar, Mr. Lawson Lyon and Mr. B. M. Khaitan retire by rotation and being eligible, offer themselves for reappointment.

**J. L. MORISON (INDIA) LTD.***The Company that cares*

Mr. S K Jalan- Director and Mr. P K Khaitan - Alternate Director to Mr. Lawson Lyon resigned during the year. The Board places on record its appreciation of the valuable advice and guidance received from them during their association with the Company as Directors.

**Auditors**

The Auditors, M/s S.R. Batliboi & Company, retire at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

**Stock Exchanges**

The Company is listed at Calcutta, Mumbai and Bangalore Stock Exchanges and the Annual Listing Fees for the year 2000/2001 has been paid.

Your company has now entered into an agreement with CDSL and NDSL for demat of its shares.

**Directors Responsibility Statement**

Statement under sub-section (2AA) of section 217 of the Companies Act, 1956:

In the preparation of the Annual Accounts:

- i) the applicable accounting standards have been followed and wherever required, proper explanations relating to material departures have been given.
- ii) the Directors have selected such accounting policies and applied them consistently and made judgements 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 or loss of the Company for that period.

- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) the Accounts have been prepared on a going concern basis.

**Acknowledgement**

Your Directors take this opportunity to express their gratitude to the Company's Bankers, and trade for the continued support and faith in the Company. We would like to place on record the Management's sincere appreciation of the wholehearted efforts put in by every single member of the JLM team, throughout the country,

They would also like to place on record their appreciation and gratitude to Beiersdorf AG, Wella AG and Dr. Wild & Co., for their co-operation and support to your Company.

On behalf of the Board of Directors

Mumbai  
Date: June 12, 2001

**RAGHU MODY**  
**CHAIRMAN**

Registered Office :  
Rasoi Court  
20 Sir R N Mukherjee Road,  
Kolkata 700 001.

**CONSERVATION OF ENERGY****POWER AND FUEL CONSUMPTION**

	Current Year 2000 / 2001	Previous Year 1999 / 2000
1. Electricity		
a. Purchased Units (Rs. Lakh)	1.02	0.76
Total Amount (Rs. Lakh)	6.90	3.92
Rate / Unit (Rs.)	6.73	5.16
b. Own Generation		
i) Through Diesel Generator		
Units	254	N.A.
Unit / per ltr. Of Diesel Oil	0.08	
Cost / Unit (Rs.)	16.71	
ii) Through Steam Turbine / Generator	-	
2. Coal	-	-
3. Furnace Oil		
Quantity (K Ltrs.)	23	21
Total amount (Rs. Lakh)	4.00	2.74
Average Rate Rs. / (Ltr.)	17.48	13.05

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

Flow of information for Technology Transfer from the Principals abroad was maintained, and resulted in a number of new products innovation.



# J. L. MORISON (INDIA) LTD.

*The Company that cares*

## AUDITORS' REPORT

### To the Members of J.L. Morison (India) Limited

We have audited the attached Balance Sheet of **J.L. MORISON (INDIA) LIMITED** as at March 31, 2001 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and report that :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph (1) above:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit. We have relied on the information given by the management on the identification of small scale industrial units, as disclosed in Schedule No. 8 and in Note No. 6 of Schedule No. 16;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books;
  - c. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet and the Profit and Loss Account comply, in all material respects, with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e. On the basis of clarification from the Department of Company Affairs, Section 274(1) (g) of the companies Act, 1956 will have prospective effect and does not apply to the Company as on March 31, 2001;
  - f. *As stated in Note No.2(d) of Schedule No. 16 to the accounts, no provision has been made for an amount of Rs 20.56 million (including Rs.10.69 million for the year) on account of possible liability for wages and other benefits of the employees at Bangalore factory.*  
  
*Had the above provision been made in the books of account the profit for the year would have been Rs.19.87 million (as against the reported figure of Rs. 30.56 million) reserves and surplus would have been Rs. 103.13 million (as against the reported figure of Rs 123.69 million) and current liability would have been Rs. 104.16 million (as against reported figure of Rs.83.60 million).*
3. Subject to our comments in paragraph 2(f) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
  - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2001; and
  - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.

for and on behalf of  
S. R. BATLIBOI & CO.  
CHARTERED ACCOUNTANTS

Mumbai  
Dated : June 12, 2001

per Hemal Shah  
a PARTNER

**J. L. MORISON (INDIA) LTD.***The Company that cares***ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF J.L. MORISON (INDIA) LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2001**

On the basis of the information and explanations furnished to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief in our opinion, we further report that :

- (1) the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. These assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets;
- (2) the fixed assets have not been revalued during the year;
- (3) physical verification has been conducted by the Management at reasonable intervals in respect of finished goods, stores, spare parts and raw materials. In our opinion, the frequency of such verification is reasonable;
- (4) the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
- (5) the discrepancies noticed on physical verification of stocks as compared to book records were not material and the same have been properly dealt with in the books of account;
- (6) the valuation of inventories is fair and proper in accordance with the normally accepted accounting principles, the basis of valuation of stocks is same as in the preceding year;
- (7) the Company has neither taken nor given any loans, secured or unsecured from / to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. There are no Companies under the same management as defined under sub-section (1B) of section 370 of Companies Act, 1956;
- (8) the parties (including employees), to whom the loans or advances in the nature of loans, have been given by the company are repaying the principal amount as stipulated and are also regular in payment of interest where applicable;
- (9) there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchases of stores, raw materials including components, plant and machinery, equipment and other assets, and for the sale of goods;
- (10) the Company has not entered into any transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, and aggregating during the year to Rs. 50,000 or more in respect of each party;
- (11) the Company has a regular procedure for determining unserviceable or damaged stores, raw materials, and finished goods and the provision for the loss is made in the accounts;
- (12) the Company has not accepted any deposits from public. Hence the provisions of Section 58A of Companies Act 1956, and rules framed thereunder are not applicable;
- (13) the Company has maintained reasonable records for the sale and disposal of scrap;
- (14) the Company has an internal audit system commensurate with its size and nature of its business;
- (15) we have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records has been prescribed under section 209(1)(d) of the Companies Act, 1956. We are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (16) the Company is generally regular in depositing the Provident Fund and Employees' State Insurance dues with the appropriate authorities;
- (17) there were no undisputed amounts payable in respect of income-tax, wealth-tax, sales tax, customs duty and excise duty which were remained outstanding as at March 31, 2001, for a period of more than six months from the date they became payable;
- (18) the Company has a policy of authorising expenditure based on reasonable checks and controls. This policy is intended to ensure that expenses are authorised on the basis of contractual obligations or accepted business practices having regard to its business needs and exigencies. In terms of these observations, we have not come across expenses, charged to revenue account which, in our opinion, could be regarded as personal expenses;
- (19) the Company is not a sick industrial company within the meaning of clause (o) of sub-section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985;
- (20) in respect of the trading activities of the Company, no provision has been made in the accounts for damaged goods that have been identified, since their value is not significant.

For and on behalf of  
S. R. BATLIBOI & CO.  
**CHARTERED ACCOUNTANTS**

Mumbai  
Dated : June 12, 2001

per Hemal Shah  
a **PARTNER**