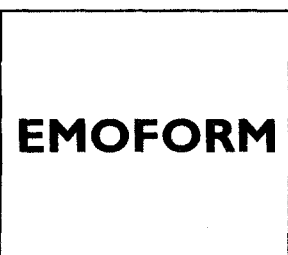


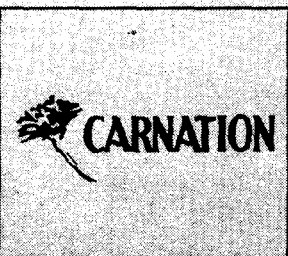
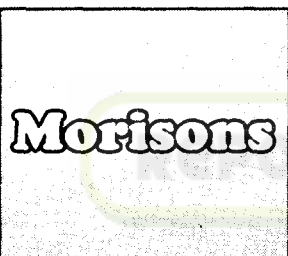


**J. L. MORISON (INDIA) LIMITED.**

*The Company that cares*



**Annual Report 2002-2003**




**J. L. MORISON (INDIA) LTD.**
**Morisons**

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**BOARD OF DIRECTORS**
**RAGHU MODY**
**Executive Chairman**
**H. KHAITAN**
**LAWSON LYON**
**BRIAN MCMULLEN**
**LT. GEN (RETD.) K. S. BRAR**
**DR. R. SRINIVASAN**
**VIMAL BHANDARI**
**H. WIETELMANN**
**JIMMY ANKLESARIA**
**Managing Director**
**ATUL TANDAN**
**PRESIDENT - CORPORATE AFFAIRS**
**PALLAWI PODAR**
**MEMBER - MANAGEMENT TEAM**
**VARUNN MODY**
**VICE PRESIDENT - FINANCE**
**P C KEJRIWAL**
**BANKERS**
**CANARA BANK**
**BANK OF INDIA**
**VIJAYA BANK**
**ICICI BANK**
**SOLICITORS**
**KHAITAN & CO.**
**AUDITORS**
**HARIBHAKTI & CO.**
**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**
**NEW DELHI**
**CHENNAI**
**WORKS**
**AURANGABAD**



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## NOTICE

NOTICE is hereby given that the Sixtyeighth Annual General Meeting of the Members of J L Morison (India) Limited will be held at Kala Kunj, 48 Shakespeare Sarani, Kolkata 700 017, on Monday, the 29th day of September, 2003 at 11 a.m. to transact the following business :

### Ordinary Business

- 1) To receive, consider and adopt the Balance Sheet as at 31st March, 2003 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 Shri R N Mody, Chairman, who retires by rotation and being eligible offers himself for re-appointment.
- 4) 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.
- (5) To appoint a Director in the place of Shri 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. Haigreve Khaitan 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 Mr. Herbert Wietelmann be and is hereby appointed as a Director of the Company, liable to retire by rotation.
- 9) To consider and if deem fit to pass with or without modification the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr. Atul Tandan be and is hereby appointed as a Director of the Company, liable to retire by rotation.
- 10) 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 the extension of term of appointment of Dr. A N Gandhi as Wholetime Director of the Company from 1.1.2003 to 31.3.2003, on the same remuneration as approved by the Shareholders at their meeting held on 25th September 2002."

## 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. Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of item no. 7 to 12 of the notice set out above is annexed hereto.
3. The Register of Members of the Company will remain closed from 23rd September 2003 to 29th September 2003 (both days inclusive).

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4. Shareholders are requested to forward all share transfers and communication to the Head Office at Mumbai at "Crystal" 79, Dr. A B Road, Worli, Mumbai 400 018.
5. The dividend, when declared, will be paid to those Members whose name appears in the Company's Register of Members as on 29th September 2003
6. The Company has already transferred all unclaimed dividend declared upto the Financial year ended 31st March 1994 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Those shareholders who have so far not claimed or collected their dividend upto the aforesaid Financial Year may claim their dividend from the Registrar of Companies, West Bengal, "Nizam Palace" II M.S.O. Building, 3rd floor, 234/4 Acharya Jagadish Chandra Bose Road, Kolkata 700 020.
7. Pursuant to the provisions of Section 205A of the Companies Act, 1956 as amended, dividend for the financial year ended 31st March, 1995 have been transferred to the Investor Education and Protection Fund (IEPF). We give below the details of Dividends paid by the Company and their respective due dates of transfer to such fund of the Central Government if they remain unencashed with the Shareholders.

<b>Date of Declaration of Dividend</b>	<b>Dividend for the year</b>	<b>Due Date of transfer</b>
24th September 1996	1995/96	10th October 2003
26th September 1997	1996/97	12th October 2004

8. Shareholders seeking information on accounts published herein are kindly requested to furnish their queries to the Company at least ten days before the date of the Meeting.
9. Shareholders are requested to bring their copies of the Annual Report to the Meeting.
10. 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 of Directors

Date : June 30, 2003

**Registered Office :**

Rasoi Court

20, Sir. R N Mukherjee Road,  
Kolkata 700 001**AMIT JAIN**  
**COMPANY SECRETARY**




**J. L. MORISON (INDIA) LTD.**

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**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956.**
**Item no.7**

Mr. Haigreave Khaitan was appointed by the Board as Additional Director in pursuance of section 260 of the Companies Act 1956, at the Board Meeting held on January 28, 2003. Mr. Khaitan 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. Khaitan as Director.

Mr. Haigreave Khaitan, Advocate comes with a good experience in the legal field and is also the legal advisor to the Company. His appointment would be an asset to the company.

None of the Directors are interested or concerned in the passing of this resolution.

**Item no.8**

Mr. Herbert Wietelmann was appointed by the Board as Additional Director in pursuance of section 260 of the Companies Act 1956, at the Board Meeting held on June 18, 2003. Mr. Weitelmann 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. Wietelmann as Director.

Mr. Herbert Wietelmann has been working with BDF our Business Partners and has vast experience in the field of Cosmetics. His appointment on the Board of the Company would be an asset to the Company.

None of the Directors are interested or concerned in the passing of this resolution.

**Item no. 9**

Mr. Atul Tandan was appointed by the Board as Additional Director in pursuance of section 260 of the Companies Act 1956, at the Board Meeting held on June 18, 2003. Mr. Tandan 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. Tandan as Director.

Mr. Atul Tandan comes with a vast experience in the FMCG Industry, his appointment on the Board of the Company would be an asset to the company.

None of the Directors are interested or concerned in the passing of this resolution.

**Item no.10**

The term of Dr. Anil Gandhi as Director – International Business Development expired on 31.12.2002. Board of Directors at their meeting held on 28th January, 2003 extended the term of the appointment of Dr. A N Gandhi for a period from 01.01.2003 to 31.3.2003 as Whole-time Director on the same terms and remuneration as approved by the shareholders at their meeting on 25th September, 2002. The Directors recommend the resolution for approval.

Date : June 30, 2003

**Registered Office :**

Rasoi Court

20 Sir R N Mukherjee Road,

Kolkata 700 001

**By Order of the Board of Directors**

**AMIT JAIN**  
**COMPANY SECRETARY**


**J. L. MORISON (INDIA) LTD.**
**Morisons**

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## DIRECTORS' REPORT

To  
The Members

Your Directors have pleasure in presenting the 68th Annual Report and Statement of Accounts of the Company for the financial year ended 31st March, 2003.

		Rs. (lacs)
	2002 - 03	2001 - 02
(a) Sales & Other Income	4496	4703
(b) Cost of Sales	4077	4251
(c) Gross Profit	419	452
(d) Interest (Net)	(2)	23
(e) Depreciation	47	46
(f) Operating Profit	374	383
(g) Profit on Sale of Investment	567	-
(h) Profit Before Tax (f + g)	941	383
(i) Provision for Taxation	125	162
(j) Net Profit after Tax	816	221
(k) Dividend @ 25%	34	34
(l) Dividend Tax	4	-
(m) Transfer to General Reserve	778	187

### Dividend

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

### Performance

The year 2002-03 saw a downward performance across the categories of products in the cosmetics and toiletries market in which the company is a key player.

Sales of NIVEA Body, and NIVEA Shaving Cream grew better than overall growth in their respective category. However, as the overall skin creams market did not grow, NIVEA Cream sales also showed a slow down for second year running. NIVEA Soap sales again followed the premium soaps category drop vs. last year primarily on account of consumers down trading and cheaper imported soaps coming into most markets, the company has tried to maintain its market share by introducing more SKUs. The Company offered superior value for money offers to its consumers in every possible category, to meet the challenge of slow consumer demand during the year. The sales of the cosmetics brands is also affected by the grey market goods which come in the major markets at cheaper price. This also encourages menace of fake goods for some of the brands which are market leaders.

During the year sales of EMOFORM – the toothpaste for sensitive teeth and gums grew better than the category and the company has started various new marketing initiatives. A new Memorandum of Understanding with the principals has been signed in March under which your Company would introduce new products in the oral care category, which will help strengthen the Company's leadership position in this segment.

The Morisons\* brand of Baby care products also performed well. It was only one of the categories, which has shown a growth in business.

Your Company completed the sales transaction of the shares of European Haircosmetics (India) Limited (makers of Wella) with a profit of Rs. 567 lacs. Your Company had to relinquish Wella distribution business as they decided not to pursue sales of their consumer pack business in India for some time. This led to a drop in sales of the Company.

### Disposal of Kandivali Property

Your Company has revalued its property at the erstwhile Kandivali factory by an approved valuer. Subsequently it has entered into a development agreement with a reputed builder to develop the same and has received compensation of Rs. 1500 lacs. Accordingly the amount of Rs. 1436 lacs lying in revaluation reserve has been transferred to General reserve.



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### **New products**

Your Company has arranged with BDF Germany to introduce some innovative products into India. Your Company hopes that with the continued support from the principals the sales in the next year will hit the upward trend aided by these imports.

Your Company is also hopeful that with the rationalization of duty on alcohol based cosmetic products by the Government of India the company will show a very healthy growth in top line and bottom line in the ensuing year.

During the year your company has entered in an association with Cuxson Gerrard & Co., a world leader in foot care category. Your Company has INTRODUCED IMPORTED RANGE OF CARNATION CORN CAPS. In the coming years your Company is hopeful of introducing further new products in this category and gain a sizeable market share in the foot care category.

Your Company is in talks to enter into an association, in India, with a European Perfume major. It is having one of the largest share in its segment of the European perfume market and has global presence. Your Company expects substantial revenues from this association.

### **ISO 9002**

During the year your Company maintained its ISO 9002 certification for manufacturing at Waluj factory and logistics at Head Office. This achievement in enhanced GMP standards has been reflected in maintaining and achieving International Product Quality.

### **Public Deposits**

As of 31st March 2003 there are no Public Deposits which are claimed and 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 31.03.2003 has been submitted to Central Government. The Company has submitted the cost audit report to the Government upto the year ended 31 March 2002.

### **Foreign Exchange earnings and outgo**

During the financial year, total foreign exchange used and earned was Rs.55.44 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) 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 under section 217 (2A) of the Companies Act, 1956 is required to be given in the Director's Report.

### **Directors**

Dr. A. N. Gandhi's term of appointment as an Executive Director was extended from 01.01.2003 to 31.03.2003. The Board places on record its appreciation of the valuable contribution made by him in the Company's growth during his association with the Company.

Mr. B.M. Khaitan has retired from the board due to his personal engagements. The Board places on record its appreciation of the valuable contribution made by Mr. B.M. Khaitan in the Company's growth during his association with the Company.



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

Mr. R N Mody, Lt. Gen K. S. Brar, and Mr. Lawson Lyon retire by rotation and being eligible, offer themselves for re-appointment. Mr. Haigreve Khaitan has been appointed as the additional Director of the Company with effect from 28/1/2003. Mr. H. Wietelmann and Mr. Atul Tandan have been appointed as Directors of the Company with effect from 18/6/2003. Their appointment is placed before the members for approval.

**Auditors**

The Auditors of the Company M/s. Haribhakti & Co., Chartered Accountants, retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. Re-appointment, if made, will be in accordance with the provision of section 224 (1B) of the Companies Act 1956.

**Stock Exchanges**

The Company is listed at Kolkata, Mumbai and Bangalore Stock Exchanges and the Annual Listing Fees for the year 2002/2003 has been paid.

**Directors' Responsibility statement**

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956 and on the basis of the information placed before the, the Directors state :

- i) that in preparation of the annual accounts, the applicable accounting standards have been followed and wherever required, proper explanations relating to material departures have been given;
- ii) that they 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) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- iv) that they have prepared the annual accounts on a going concern basis.

**Acknowledgement**

Your Directors acknowledge the support given by the Shareholders, Bankers, Trade and Employees and looks forward for their continued support.

They would also like to place on record their appreciation and gratitude to Beiersdorf AG, Dr. Wild & Co. Ltd., and M/s Cuxson Gerrard & Co, for their co-operation and support to your Company.

Date : 30th June, 2003

**Registered Office :**

Rasoi Court

20 Sir R N Mukherjee Road,

Kolkata 700 001

**On Behalf of the Board of Directors**

**RAGHU MODY**  
**CHAIRMAN**





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## ANNEXURE TO THE DIRECTORS REPORT

### CONSERVATION OF ENERGY Year 2002-2003 (POWER & FUEL CONSUMPTION)

		Current Year 2002-03	Previous Year 2001-02
1. Electricity			
A	Purchase in units (Lakh)	1.57	1.39
	Total Amount (Rs.Lakh)	6.59	6.34
	Rate/Unit (Rs.)	4.20	4.56
B	Own Generation		
	Through Diesel Generator	0.01	0.02
	in units - lacs		
	Units/Per Ltr of Diesel oil	0.76	0.87
	Cost/Unit (Rs.)	25.2	22.9
2. Furnace Oil/LDO			
	Quantity (K Ltrs)	21	21
	Total amount (Rs.Lakhs)	3.88	3.53
	Average Rate Rs./Ltr)	18.48	16.8

#### Highlights

- A. Continued close monitoring helped to keep electricity consumption under control.
- B. Increase in the rate of Diesel, increased the cost/unit generation during the year. The rate per unit generated is high due to under utilization of the DG set.
- C. Increase in the rate of LDO, increased the LDO Cost.



CARNATION

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

To  
The Members,  
**J. L. Morison (India) Ltd.**

I have examined the registers, records, books and papers of M/s. J.L.Morison (India) Ltd., as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2003. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officer and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company is a public company and therefore the comments are not available.
4. The Board of Directors duly met five times on 29.06.2002, 25.07.2002, 25.09.2002, 25.10.2002 and 28.01.2003 in respect of which meetings proper notices were given and the proceedings were properly recorded in the Minutes Book maintained for the purpose.
5. The Company has closed its register of Members from 19.09.2002 to 25.09.2002 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Annual general meeting for the financial year ended on 31st March, 2002 was held on 25.09.2002 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary meeting was held during the financial year.
8. The Company has not advanced any loan to its directors and/or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has maintained the register under section 301 of the Act but there were no entries to be recorded therein.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or the Central Government as the case may be.
12. The Company has issued duplicate share certificates under approval of the Board of Directors of the Company.
13. The Company has :
  - (i) delivered all the certificates on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
  - (ii) deposited the amount of dividend declared in a separate Bank Account on 25.09.2002 which is within five days from the date of declaration of such dividend;
  - (iii) posted warrants for dividend to all the members within a period of thirty days from the date of declaration and that all unclaimed dividend has been transferred to Unpaid Dividend Account of the Company with Corporation Bank, Worli, Mumbai - 400 018;
  - (iv) not any amount of unpaid/unclaimed dividend which have remained unclaimed or unpaid for a period of seven years;
  - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.