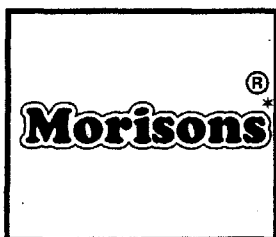


# J. L. MORISON (INDIA) LIMITED

*The Company that cares*



**ANNUAL REPORT  
2003-04**

**J. L. MORISON (INDIA) LTD.****BOARD OF DIRECTORS**

RAGHU MODY

**Executive Chairman**

VIMAL BHANDARI

LT.GEN (RETD) K S BRAR

HAIGREVE KHAITAN

ATUL TANDAN

HERBERT WIETELMANN

LAWSON LYON

HAR KISHORE KEJRIWAL

JIMMY ANKLESARIA

**Managing Director**

PRESIDENT – CORPORATE AFFAIRS

PALLAWI PODAR

PRESIDENT – SALES

BIPIN VENGSAKAR

PRESIDENT – TECHNICAL

V. S. HALDIPUR

MEMBER – MANAGEMENT TEAM

VARUNN MODY

COMPANY SECRETARY

SHOURABH SHARMA

BANKERS

CANARA BANK

BANK OF INDIA

CORPORATION BANK

ICICI BANK

AUDITORS

HARIBHAKTI &amp; CO.

Chartered Accountants

SOLICITORS

KHAITAN &amp; CO.

REGISTERED OFFICE

'RASOI COURT',

20, SIR R N MUKHERJEE ROAD,

KOLKATA – 700 001.

HEAD OFFICE

"CRYSTAL",

79, DR ANNIE BESANT ROAD, WORLI,

MUMBAI – 400 018.

BRANCHES

MUMBAI

KOLKATA

NEW DELHI

CHENNAI

WORKS

E 95/1, MIDC, WALUJ,

AURANGABAD – 431 136.

MAHARASHTRA.

# J. L. MORISON (INDIA) LTD.

## NOTICE FOR THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the SIXTYNINTH 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 Wednesday, the 29th day of September, 2004 at 11.00 A M, to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Profit and Loss Account for the year ended on March 31, 2004 and the Balance Sheet as on that date and the reports of the Directors and the Auditors thereon.
2. To declare a Dividend for the year 2003-04.
3. To appoint a Director in the place of Mr. Haigreve Khaitan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Mr. Vimal Bhandari, who retires by rotation and being eligible, offers himself for re-appointment.
5. To reappoint the Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS

6. To consider and if deem fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. H K Kejriwal be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Shourabh Sharma, Company Secretary of the Company, be and is hereby authorised to make necessary applications / take necessary actions in this regard."

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

"RESOLVED that pursuant to the provisions of Section 198, 269,309,310 and 311 and all other applicable provisions of the Companies Act, 1956 (hereinafter referred to as 'the Act') the Company hereby approves and ratifies the revision in the remuneration of Mr. J R Anklesaria, Managing Director of the Company, with effect from 1<sup>st</sup> April, 2004 to 2<sup>nd</sup> October, 2005 as set out in the Supplemental Agreement entered into between the Company and Mr. Anklesaria. A copy whereof initialed by the Chairman is placed before the meeting.

RESOLVED FURTHER THAT Shri R N Mody, Chairman of the Company and / or anyone of the Director(s) of the Company and / or Mr. Shourabh Sharma, Company Secretary, be and are hereby individually and / or jointly authorised to take such steps as may be necessary, to give effect to this resolution".

### 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 the items of Special Business is annexed hereto.

3. The Register of Members and the Share Transfer Books of the Company will remain closed from September 23, 2004 till September 29, 2004 (both days inclusive).
4. Shareholders are requested to forward all Share Transfers and any other communications to the Registrar & Share Transfer Agents (RTA) of the Company and are further requested to always quote their Folio Number in all correspondences with the Company.
5. The dividend, when declared, will be paid to those Members whose name appears in the Company's Register of Members as on September 29, 2004.
6. The Company has already transferred all Unclaimed Dividend declared upto the Financial year ended on March 31, 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. Buildings, 3<sup>rd</sup> floor, 234/4 Acharya Jagdish 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 on March 31, 1995 and for the financial year ended on March 31, 1996, have been transferred to the Investor Education and Protection Fund (IEPF).

The details of Dividends paid by the Company and their respective due dates of transfer to Investor Education and Protection Fund, as per the Companies Act, 1956, if they remain unclaimed by the Shareholders are given below:

Date of Declaration of Dividend	Dividend for the year	Due Date of transfer
Sep. 26, 1997	1996-97	Nov. 1, 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. Members who hold the shares in dematerialized form are requested to bring their client ID and DPID numbers for easier identification of attendance at the meeting.
11. The shareholders, holding shares in identical order of names in more than one folio, are requested to write to the Company/ RTA enclosing their Share Certificates to enable the Company to consolidate their holdings in one folio.
12. Re-appointment of Directors : The brief particulars of the Directors of the Company, retiring by rotation and proposed to be re-appointed at the ensuing Annual General Meeting are furnished under the Corporate Governance Report.

Dated: May 10, 2004

By Order of the Board of Directors

### Registered Office :

Rasoi Court  
20 Sir R N Mukherjee Road,  
Kolkata 700 001

**SHOURABH SHARMA**  
COMPANY SECRETARY

# J. L. MORISON (INDIA) LTD.

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

### ITEM NO.6

Mr. H. K Kejriwal 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 27, 2004. Mr. Kejriwal continues to hold office as Additional Director till the date of ensuing Annual General Meeting.

Mr. H K Kejriwal comes with a good experience and his appointment, as the Director of the Company would be an asset to the Company.

Shri H K Kejriwal, is the Executive Vice president of Karnataka Chitrakala Parishath Trust. He is also the Vice Chairman of Birla Global Infotech Service Pvt Ltd and Director of Mysore Cements Ltd, Speciality Textiles and Exports Pvt Ltd, Granites and Minerals Pvt Ltd, Birla Vision Com Pvt. Ltd.

The Board recommends the resolution for the appointment of Mr. H K Kejriwal as the Director of the Company for the approval of the members.

None of the Directors except Mr. H K Kejriwal is concerned or interested in this resolution.

### ITEM NO.7

Considering the valuable services rendered to the company by Mr. J R Anklesaria, the Board of Directors at its meeting held on January 27, 2004, approved, subject to the approval of the members of the company, the revision in the remuneration of Mr. J R Anklesaria, Managing Director of the Company, with effect from April 1, 2004 to October 2, 2005 in accordance with the following terms and conditions:

#### PART - I

**Salary :** Rs.9.84 lacs per annum.

#### Perquisites :

Mr. Anklesaria will be entitled to perquisites like Conveyance Assistance, Education Assistance, Entertainment Assistance, Driver's Salary, Leave Travel Assistance, Medical Assistance, Gas / Electricity / Water Assistance, etc. and other assistance, provided the value of such perquisites shall be restricted to Rs.8.50 lacs per annum.

The Company will take a Personal Accident Insurance Policy for Mr. Anklesaria, Mediclaim Policy for Mr. Anklesaria and his Family as per the rules of the Company. Further Repairs & Maintenance of the Car provided to Mr. Anklesaria will be paid by the Company at the actuals.

#### PART - II

1. Provident Fund and Superannuation Fund : Company's contribution to Provident Fund and Superannuation Fund will not exceed 27% of the salary per annum.
2. Gratuity : Gratuity will be paid as per Company's normal rules.
3. Car : Company's Car will be provided to Mr. Anklesaria.
4. Telephone : Telephone will be provided by the Company at the residence of Mr. Anklesaria. Personal long distance calls on telephone(s) shall be billed by the Company to Mr. Anklesaria.

These facilities will not be considered as Perquisites.

Mr. Anklesaria will be entitled to leave as per the rules of the Company as are applicable to other staff members of his category.

Mr. Anklesaria will be reimbursed / paid a Monthly Club Membership / Subscription Fees of one Club only. No Entrance or Life Membership Fee for any such Club will be paid. The chits for the personal usage will be paid by Mr. Anklesaria, but for official usage will be reimbursed to Mr. Anklesaria by the Company.

Whenever Mr. Anklesaria is required to travel outstation within India on Company's duty, he shall be paid in the following manner :

1. Economy Air Fare / First Class AC Rail Fare.
2. Actuals to cover stay in hotels and cost of local conveyance.
3. Whenever Mr. Anklesaria stays in Company's Guest House or in a place other than a hotel, he shall be paid Rs.1000/- per day plus actual conveyance expenses. This will be reviewed and revised as and when the Board decides from time to time.

Whenever Mr. Anklesaria is required to travel overseas on Company's work, he shall be paid Foreign Exchange of US \$200 per day. This will be reviewed and revised as and when the Board decides from time to time.

Leave encashment will be provided as per the normal rules of the Company and encashment of such leave at the end of the tenure of service shall not be included in the computation of ceiling of remuneration or perquisites as aforesaid.

Mr. Anklesaria will be governed by the rules and practices of the Company as are applicable to other staff members of his category.

Further Mr. Anklesaria will perform such duties as will be allotted to him by the Management / Board of Directors from time to time for the Company or for any associates of the group companies.

Mr. Anklesaria's services are liable to be transferred at the discretion of the Management / Board of Directors to any such location where the Company's Head Office is shifted to and in which case he shall be provided Company's free accommodation and reimbursed all such costs of relocating at actuals.

During the course of Mr. Anklesaria's employment with the Company, he would not engage himself in any other business activities either personal or with third party which may lead to diversion of his energy and attention from the assigned responsibilities.

Further to this, Mr. Anklesaria will also ensure that the terms and conditions of the licenses obtained for the Company from Overseas Associates are abided by satisfactorily.

Mr. Anklesaria will also make absolutely sure that the Company's product formulation, either of its own or obtained from foreign sources, should be kept under strict confidence and not be divulged or passed on to any third party.

Mr. Anklesaria's designated responsibilities will include all activities discussed with the Chairman of the Company and as advised by the Chairman or the Board of Directors of the Company, henceforth.

Mr. Anklesaria will not make any attempts to establish or contact overseas companies or enter into negotiations with our existing overseas associations without the written consent of the Management / Board of Directors, except in pursuance of his regular day-to-day responsibilities for ensuring a smooth working relationship with the counterparts in such companies purely on operational issues.

Mr. Anklesaria will be responsible to implement the directions and / or policy decisions of the Board of Directors as may be conveyed to him from time to time during the course of discharge of responsibility.

Mr. Anklesaria for the present will be posted in Mumbai.

The Company has a mutual contract with Mr. Anklesaria for five years w.e.f. 03-10-2000 to 02-10-2005. Three months before the expiry of the contract, the Management at its sole discretion without assigning any reasons, can terminate / renew the contract for a further period of five years on mutual terms and conditions. The same condition of notice is applicable to Mr. Anklesaria. During the five years contract period, he will be subjected to the conditions as laid down in this Supplementary Agreement, but with specific reference to the following clauses :

- a) Mr. Anklesaria's services will be subjected to termination by sixty days notice on either side, or salary in lieu thereof. However in case of resignation, the company reserves its right to relieve him from the Company's services earlier than the expiry of notice period.
  - b) The Company shall be at liberty to terminate Mr. Anklesaria's employment forthwith without notice or compensation in lieu of notice at time during the period of his employment, if he shall be guilty of any act of indiscipline, insubordination, dishonesty or other serious misconduct or neglect or incompetence in the discharge of duty or breach of any stipulations herein contained or if he becomes incapacitated or is adjudged insolvent or if he compounds with his creditors.
- For the purpose of the above, the Company's opinion as to whether any of the events mentioned herein has occurred shall be final and binding on Mr. Anklesaria, and he shall not be entitled to question the same on any ground whatsoever.
- c) Upon the termination of Mr. Anklesaria's services, he shall handover charge to such person nominated by the Company and shall deliver to him such property and effects of the Company as may be in his possession including diaries, notes, notebooks, correspondence and any other records in whatever form either addressed to him and received by him for and on behalf of the Company, and copies of all communication addressed to him by any persons, institutions, bodies, corporate, etc. on behalf of the Company.

Mr. Anklesaria will give an undertaking to the Company in the prescribed format for the Company's properties such as car for his use during the tenure of his services with the Company. However the car will be duly insured by the Company for all comprehensive risks, such that if it undergoes a theft or damage, or any other loss of any kind, despite the best bonafide efforts to ensure its safety, then he shall not be accountable for the same, subject to his having taken the necessary action / steps for filing a proper claim e.g. filing a police complaint (FIR) within the time limit, informing the Commercial Department of the Company etc., so that the Company can recover maximum of such damage / loss.

Mr. Anklesaria will be paid Commission in the nature of 'Incentive Commission' as per the following terms and conditions:

1. Up to first Rs. 2 crores Net Profit (after tax, depreciation & interest) there will be no incentive commission.
2. For Net Profit between Rs. 2 crores to Rs. 5 crores there will be a 1% incentive commission i.e. if Net Profit is Rs. 5 crores, then on the first Rs. 2 crores there will be no incentive commission, whereas on the balance Rs. 3 crores the incentive commission will be Rs. 3 lacs.
3. Above Rs. 5 crores and up to Rs. 10 crores there will be 0.5% incentive commission i.e. if Net Profit is Rs. 10 crores, then there will be no incentive commission on the first Rs. 2 crores, the commission on the Net Profit from Rs. 2 crores to Rs. 5 crores will be Rs. 3 lacs and on the balance profit of Rs. 5 crores the incentive commission will be Rs. 2.50 lacs, therefore the total incentive commission will be Rs. 5.50 lacs.
4. This incentive commission will be reviewed suitably at an appropriate time.

Mr. Anklesaria will not be paid any sitting fees for attending the meetings of the Board of Directors or any Committee thereof. Mr. Anklesaria will be reimbursed the expenses actually incurred for the business of the company subject to such limits as may be fixed by the Board from time to time.

The Board recommends the resolution for the approval of the members.

None of the Directors except Mr. J R Anklesaria is concerned or interested in this resolution.

Dated: May 10, 2004

By Order of the Board of Directors

#### Registered Office :

Rasoi Court  
20 Sir R N Mukherjee Road,  
Kolkata 700 001

**SHOURABH SHARMA**  
COMPANY SECRETARY



**J. L. MORISON (INDIA) LTD.****DIRECTORS' REPORT**

To

The Members

J L Morison (India) Ltd.

Your Directors have pleasure in presenting the 69<sup>th</sup> Annual Report and Statement of Accounts of the Company for the financial year ended on March 31, 2004.

	Rs in lakhs 2003-04	Rs in lakhs 2002-03
(a) Sales & Other Income	4852	4496
(b) Cost of Sales	4464	4077
(c) Gross Profit	388	419
(d) Interest (Net)	(66)	(2)
(e) Depreciation	50	47
(f) Operating Profit	404	374
(g) Profit on Sale of Investment	1	567
(h) Profit Before Tax (f + g)	405	941
(i) Provision for Taxation	108	125
(j) Net Profit after Tax	297	816
(k) Dividend @ 25%	34	34
(l) Dividend Tax	4	4
(m) Transfer to General Reserve	259	778

**Dividend**

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

**Performance**

During the year 2003-04 the consumer products market for the cosmetics and toiletries categories in which the company is a key player showed small growth, however there are signs of the industry coming out of the last two years of sluggish off take.

Sales of **NIVEA** Moisturizing Creams, **NIVEA** Body and **NIVEA** Soap grew well during the year, with these brands performing better than the category growth. The company also started introducing new products under the **NIVEA** equity, while introducing new presentations for the existing sub-brands.

The company is concerned that the products in the cosmetics and toiletries segment continue to be affected by the consumer down trading phenomenon and free availability of cheaper imported goods, which is affecting the sales significantly in the mega metros and the mini metros. The Company continued to offer superior "value for money offers" to its consumers in every possible category during the year under report, to improve consumer off-take from the retail stores while facing the challenge of consumer down trading and franchise for cheaper foreign goods. The Company has taken up strongly with the Government, both directly as well through major industry associations, this illegal sale of foreign goods which could be many times fake or of poor quality, with less shelf life and leave no scope for consumer grievance redressal in case of complaints. All this causes loss of huge revenue to the Government, deprives employment opportunities, affects industrial production growth and thus pulls down genuine growth of Shareholders' Wealth.

During the year sales of **EMOFORM®** – the toothpaste for sensitive teeth and gum care grew better than the category and the company has started various new marketing initiatives with the formation of a full new Oral care division. A new long term contract has been signed with the Principals Dr. Wild & Co. Ltd. Switzerland. As per this agreement your Company would introduce new international products of Swiss formulation, in the oral care-category, from the

next financial year, which would be made in an international quality GMP plant being put up under the guidance of our Principals.

The **MORISONS\*** brand of Baby care products did not perform satisfactorily and new products are being lined up to improve the growth of this business.

The **CARNATION** range of foot care products sold on a subdued note during the year. Local unorganized competitive brands and fake products in this category have been a bane for the organized brands in the semi urban markets till late, but now this menace is hurting category growth in urban markets also. To expand its presence in the foot care business the company plans to import several new products from their Principals abroad as we have some very aggressive plans for the **CARNATION** brand in the coming years.

**New Products**

The Company imported from BDF Germany a range of **NIVEA** Deodorants, which helped to modernize the image of the brand. Similarly during the year **NIVEA** Soft Moisturizing cream was introduced giving the overall brand an innovative image among the young target group of consumers. Both these brands were supported by international advertising campaigns adapted for Indian consumers, which helped achieve the objective of enhancing the brand image. With continued support of the Principal's, the Company expects to increase the sales of the **NIVEA** range of products significantly through this import strategy, which meets the growing aspirations of the affluent Indian consumers.

As reported last year your Company had been in talks with one of the European perfume companies for managing their brand's franchise in India. We are glad to report that your Company has entered into a Memorandum of Understanding with **Parfums Ulric De Varens, France**, as an exclusive distributor for their mass-market brand of perfumes in India. The **UDV** range of perfumes was launched in the major cities towards the middle of the third quarter of this year. This new brand franchise is in line with the objective of growing the Company's business in a related area of beauty and cosmetics where the urban Indian consumers have started spending higher amounts of money.

The Company is in advanced stage of discussions with a European dental care company, which business should help expand the Company's market share and sales revenue in the coming year from this segment of its enterprise.

With the health care industry registering healthy growth for the last few years and greater consumer awareness as well as professional focus on the "well being" business, your company has also commenced serious studies on few large and some innovative product categories which would help grow the company's business in this industry.

**ISO 9001 : 2000**

During the year your Company has upgraded its ISO certification from ISO 9002 to ISO 9001:2000 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 March 31, 2004 there are no Public Deposits that are claimed and due.

**Cost Audit**

Pursuant to the provisions of section 233B 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. The Company has submitted the Cost Audit Report to the Government upto 2002-03 while the audit is under progress for 2003-04.

# J. L. MORISON (INDIA) LTD.

## Foreign Exchange Earnings And Outgo

During the financial year 2003-04, total foreign exchange used and earned was Rs. 349 lakhs 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 under section 217(2A) of the Companies Act, 1956 is required to be given in the Director's Report.

## Directors

Mr. Brian McMullen and Dr. R Srinivasan have retired from the Board due to their personal engagements. The Board places on record its appreciation of the valuable contribution made by Mr Brian McMullen and Dr. R Srinivasan in the Company's growth during their association with the Company.

Mr. Haigreave Khaitan and Mr. Vimal Bhandari retire by rotation and being eligible, offer themselves for reappointment.

Mr H K Kejriwal has been appointed as the Additional Director of the Company with effect from January 27, 2004. Mr H K Kejriwal's 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 the ensuing 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 Exchange(s)

The Company is listed with The Calcutta Stock Exchange, The Stock Exchange - Mumbai and at The Bangalore Stock Exchange and the Annual Listing Fees for 2003-04 has been paid.

## JLM Sutures (India) Limited

JLM Sutures (India) Limited, a subsidiary of the company, has applied for winding up with the Registrar of Companies, Bangalore, on December 29, 2003, under the Simplified Exit Scheme, 2003.

## Secretarial Compliance Certificate

Secretarial Compliance Certificate, as required under section 383A of the Companies Act, 1956, for the financial year 2003-04 is annexed forming part of this Annual Report.

## 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, the Director's of the Company would like to state that :

- 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 acknowledge the support given by the Shareholders, Bankers, Trade and Employees and look forward for their continued support.

The Directors would also like to place on record their appreciation and gratitude to **Beiersdorf AG, Dr. Wild & Company Limited** and **Cuxson Gerrard & Company** for their co-operation and support to your Company.

Dated: May 10, 2004

By Order of the Board of Directors

## Registered Office :

Rasoi Court  
20 Sir R N Mukherjee Road,  
Kolkata 700 001

**RAGHU MODY**  
CHAIRMAN

## ANNEXURE TO THE DIRECTORS' REPORT

### CONSERVATION OF ENERGY - YEAR 2003-2004 (POWER & FUEL CONSUMPTION)

Particulars	Current Year 2003-04	Previous Year 2002-03
<b>1. ELECTRICITY</b>		
A Purchase in units (Lakh)	1.63	1.57
Total Amount (Rs. Lakh)	7.14	6.59
Rate/Unit (Rs.)	4.38	4.20
<b>B Own Generation</b>		
Through Diesel Generator in units - (Lakh)	0.02	0.01
Units / Per Ltr of Diesel oil	0.92	0.76
Cost / Unit (Rs.)	25.9	25.2
<b>2 FURNACE OIL / LDO</b>		
Quantity (K Ltrs)	21	21
Total amount (Rs. Lakhs)	4.26	3.88
Average Rate Rs./ (Ltr)	20.29	18.48

## Highlights

- A. Close monitoring helped to keep electricity consumption under control inspite of additional machines put to use during the year.
- B. Rate of Diesel continued to increase this year also which increased the Cost/Unit generation. Power Generation is also high due to under utilization of the DG set as normal power supply was received from MSEB during the year.
- C. Increase in the rate of LDO, increased the LDO cost.

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

**Ranjeet Agrawal,**  
Company Secretary

4129, D-Wing,  
Oberoi Garden Estate,  
Chandivali Farm Road,  
Andheri(E),  
Mumbai - 400 072

**SECRETARIAL COMPLIANCE CERTIFICATE**

To,  
The Members.

**J. L. Morison (India) Ltd.,**  
'Rasoi Court',

20, Sir R N Mukherjee Road,  
Kolkata 700 001

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 there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2004. 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 officers 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 there under 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 there under.
- 3 The Company is a public company and therefore the comments are not applicable.
- 4 The Board of Directors duly met five (5) times on 18.06.2003, 30.06.2003, 29.07.2003, 29.10.2003 and 27.01.2004 in respect of which meetings proper notices were given and the proceedings were properly recorded in the Minutes Books maintained for the purpose.
- 5 The Company has closed its Register of Members from 23.09.2003 to 29.09.2003 (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 March 31, 2003 was held on September 29, 2003 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
- 7 No Extra Ordinary General 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 Companies Act, 1956.
- 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 all the duplicate share certificates under approval of the Board of Directors of the Company.
- 13 The Company has:
  - i) delivered all the certificates on lodgment 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 3.10.2003 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 on 5th December, 2003.
  - iv) pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, unclaimed dividend for the financial year ended on March 31, 1995 and for the financial year ended on March 31, 1996, have been transferred to the Investor Education and Protection Fund (IEPF).
  - v) transferred the amount of unpaid dividend account which have remained unclaimed or unpaid for a period of seven years ;
  - vi) 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 has been duly made.
- 15 The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year.
- 16 The Company has not appointed any sole-selling agents during the financial year.
- 17 The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director and Registrar of Companies and / or such other authorities prescribed under the various provisions of the Act.
- 18 The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
- 19 The Company has not issued shares/debentures/other securities during the financial year.
- 20 The Company has not bought back shares during the financial year ending 31<sup>st</sup> March, 2004.
- 21 There was no redemption of preference shares/debentures during the financial year.
- 22 There were no transactions necessitating the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
- 23 The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of section 58A read with Companies (Acceptance of Deposit) Rules, 1975 during the financial year.
- 24 The Company has not made any borrowing in excess of aggregate of the paid up capital of the Company and its free reserves.
- 25 The Company has made loans or advances or given guarantees or provided securities to other bodies corporate and consequently entries have been made in the register kept for the purpose.
- 26 The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.

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

- 27 The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
- 28 The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
- 29 The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
- 30 The Company has not altered its articles of association during the year under scrutiny.

- 31 There was / were no prosecution initiated against or show cause notices received by the Company during the financial year, for offences under the Act.
- 32 The Company has not received any security from its employees during the year under certification.
- 33 The Company has deposited both Employee's and Employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

Place : Mumbai  
Dated: May 8, 2004

**Ranjeet Agrawal**  
C.P. No.: 5832.

**ANNEXURE - A**

Registers as maintained by the Company are :

- 1 Register of Members under section 150.
- 2 Register of Directors, Managing Director, Manager & Secretary under section 303.
- 3 Register of Directors' Shareholding under section 307.
- 4 Minute Books of proceedings of Board and that of shareholders.
- 5 Minute Books of the proceedings of the Committees.
- 6 Register of Charges under section 143.
- 7 Register of Investments under section 49 and 372A.
- 8 Register of Particulars of Contracts in which directors are interested under section 301.

**ANNEXURE - B**

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31<sup>st</sup> March, 2004.

S. No.	Form No./Return	Filed under Section	For	Date of Filing
1	Annual Return	159	2002-03	29.11.2003
2	Balance Sheet	220	2002-03	22.10.2003
3	Compliance Certificate	383A	2002-03	22.10.2003
4	Form No. 32	303	Resignation of Company Secretary – Mr. Amit Jain	06.08.2003
5	Form No. 32	303	Appointment of Company Secretary – Mr. Shourabh Sharma	16.10.2003
6	Form No. 29	264	Consent of Director – Mr. Atul Tandan	16.7.2003
7	Form No.29	264	Consent of Director – Mr. Herbert Wietelmann	16.7.2003
8	Form No.32	303	Appointment of Additional Director – Mr. Atul Tandan & Mr. Herbert Wietelmann	16.7.2003
9	Form No.29	264	Consent of Director – Mr. H K Kejriwal	18.2.2004
10	Form No.32	303	Appointment of Additional Director – Mr. H K Kejriwal	18.2.2004
11	Form No.32	303	Resignation of Directors – Mr. Brian McMullen & Dr. R Srinivasan	17.11.2003



# J. L. MORISON (INDIA) LTD.

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy on code of governance

The Company believes in transparency, empowerment, accountability and integrity, which are the basic principles of corporate governance and would constantly endeavour to improve on these aspects.

### 2. Board of Directors

#### Composition:

The Board of Directors comprises of a Chairman and Whole-time Director, Managing Director and seven Independent and Non- Executive Directors. The composition of the Board of Directors and their attendance at the Meetings during the year and at the last Annual General Meeting as also the number of other Directorships / Memberships of Committees' are as follows:

Name of the Director	Category	No. of Board Meetings attended	Attendance at last AGM	No. of outside Directorships held	No. of Outside Committees	
					Public	Member
Shri R N Mody	Executive & Promoter	4	Yes	10	2	2
Mr. J R Anklesaria	Executive & Non Independent	5	Yes	-	-	-
Mr. Haigreave Khaitan	Non Executive & Independent	3	Yes	17	8	-
Mr. Lawson Lyon	Non Executive & Independent	-	No	-	-	-
Mr. Brian McMullen**	Non Executive & Independent	-	No	-	-	-
Lt. Gen. (Retd.) K S Brar	Non Executive & Independent	4	Yes	2	4	-
Dr. R Srinivasan**	Non Executive & Independent	3	No	8	-	-
Mr. Vimal Bhandari	Non Executive & Independent	2	No	12	8	1
Mr. H Wietelmann***	Non Executive & Independent	-	Yes	-	-	-
Mr. Atul Tandan***	Non Executive & Independent	2	No	2	-	-
Mr. H K Kejriwal *	Non Executive & Independent	-	No	1	-	-

\* Mr. H K Kejriwal was appointed as an Additional Director on January 27, 2004 and thereafter there was no Board Meeting till 31.3.2004.

\*\* Dr. R Srinivasan and Mr. Brian McMullen resigned during the year due to their personal commitments.

\*\*\* Mr. Atul Tandan and Mr. H Wietelmann were appointed as an Additional Director(s) on June 18, 2003.

### Board Meetings

During the year, Five Board Meetings were held on 18.6.2003, 30.6.2003, 29.7.2003, 29.10.2003 and 27.1.2004

### Re-appointment of Directors

The brief particulars of the Directors of the Company, retiring by rotation and proposed to be re- appointed at the ensuing Annual General Meeting are as under:

<u>Name of the Director</u>	<u>Age</u>	<u>Date of joining the Board</u>	<u>Qualifications</u>
Mr. Vimal Bhandari	46	March 25, 2000	CA
Mr. Haigreave Khaitan	34	January 28, 2003	L.L.B.

### 3. Audit Committee

#### Brief description of terms of reference:

The terms of reference of this committee are wide enough covering the matters specified for Audit Committees under clause 49 of the Listing agreement as well as under Section 292A of the Companies Act, 1956.

#### Composition:

The Company set up an Independent Audit Committee on January 27, 2004 consisting of three non executive and independent Directors, viz., Lt. Gen. (Retd.) K S Brar (Chairman), Mr. Atul Tandan and Mr. H K Kejriwal.

Mr. Shourabh Sharma, Company Secretary of the Company, is the Secretary to the Audit Committee.

#### Meeting and attendance:

There was no meeting of the Audit Committee during the year.

### 3. Remuneration Committee

#### Brief description of terms of reference:

The remuneration Committee of the Company, recommends to the Board the compensation terms of executive directors and the seniormost level of management immediately below the Executive Directors.

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

The Company set up an Independent Remuneration Committee on October 29, 2003 which comprises of three non-executive Directors, viz., Mr. Atul Tandan (Chairman), Lt. Gen. (Retd.) K S Brar and Mr. Haigreave Khaitan.

Mr. Shourabh Sharma, Company Secretary of the Company, is the Secretary of the Remuneration Committee.

**Meeting and attendance:**

There was one meeting of the Remuneration Committee held on 27 January, 2004.

**Details of remuneration/fee paid to the Directors Meeting and attendance:**

Directors	Salary & Perquisites (Rs. in lacs)	Sitting Fees (Rs. in lacs)
Mr. Raghu Mody	12.51	-
Mr. J R Anklesaria	12.51	-
Mr. H Khaitan	-	0.17
Lt. Gen. (Retd.) K S Brar	-	0.22
Dr. R Srinivasan	-	0.15
Mr. Vimal Bhandari	-	0.10
Mr. Atul Tandan	-	0.10
Mr. Lawson Lyon	-	-
Mr. Brian McMullen	-	-
Mr. H K Kejriwal	-	-
Mr. H Wietelmann	-	-

**4. Shareholder(s) / Investor(s) Grievances Committee**

The Company set up a Shareholder(s) / Investor(s) Grievances Committee on October 29, 2003 comprising of three independent Non-Executive Directors, viz., Mr. Atul Tandan (Chairman), Lt. Gen. (Retd.) K S Brar and Mr. Haigreave Khaitan. The above committee has to look into redressal of shareholders' and investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. Mr. Shourabh Sharma, Company Secretary of the Company, is the Secretary of the Shareholder(s) / Investor(s) Grievances Committee and the Compliance Officer.

The committee has held meetings on 27 January, 2004.

During the year under review 4 complaints were received from investors which were replied/resolved to the satisfaction of the investors. There was no complaint pending for reply as on 31.03.2004. All the complaints received as on 31<sup>st</sup> March, 2004 were duly attended in time.

**5. General Body Meetings**

Location and time of the General Body Meetings held during last three years are as follows:

Year	Type	Location	Date	Time
2002 – 2003	AGM	Kala Kunj, 48 Shakespeare Sarani, Kolkata 700 017	29.9.2003	11.00 a.m.
2001 – 2002	AGM	Shripati Singhanian Hall Rotary Sadan, 94/2 Chowringhee Road, Kolkata 700 020.	25.9.2002	11.00 a.m.
2000 – 2001	AGM	Shripati Singhanian Hall Rotary Sadan, 94/2 Chowringhee Road, Kolkata 700 020.	25.9.2001	11.00 a.m.

No Special Resolution was put through postal ballot last year. No postal ballot is proposed to be conducted this year.

**6. Disclosures****Related Party Transactions**

The statutory disclosure requirements relating to Related Party Transactions have been complied with in the Annual Accounts for the year 2003-04. There were no material transactions during the year 2003 – 2004 which were prejudicial to the interest of the Company.

**Statutory Compliance, Penalties and Strictures**

The Company complied with the requirements of the Stock Exchange(s)/SEBI/Statutory Authorities on all matters related to the Capital Markets during the last three years. There were no penalties or strictures imposed on the Company by the Stock Exchanges, the SEBI or any Statutory Authority relating to above.