



*Annual Report*  
*2006-07*

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

**Morisons\***

***Equal***  
FREE-OF-SUGAR. GREAT TASTE

**EMOFORM®**

**Lignotox**

Report  junction.com

**NIVEA**

**Restoria**

**snoreeze**

**CARNATION**

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

**BOARD OF DIRECTORS**

RAGHU MODY

CHAIRMAN

BIPIN VENGSAKAR

EXECUTIVE DIRECTOR

VARUNN MODY

HAR KISHORE KEJRIWAL

LT. GEN (RETD.) K S BRAR

PROF. ATUL TANDAN

LAWSON LYON

**COMPANY SECRETARY**

PURUSHOTTAM KEJRIWAL

**BANKERS**

CANARA BANK

BANK OF INDIA

CORPORATION BANK

**AUDITORS**

HARIBHAKTI &amp; CO

CHARTERED ACCOUNTANTS

MUMBAI - 400 021

**SOLICITORS**

KHAITAN &amp; CO


**REGISTERED OFFICE**

RASOI COURT

20, SIR R N MUKHERJEE ROAD

KOLKATA-700 001

PHONE : 033 2248 0114/5

FAX-033 2248 1200

Website : www.jlmorisonindia.com

**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

**CONTENTS**

	Page No.(s)
Notice .....	2
Directors' Report .....	5
Report on Corporate Governance .....	10
Management Discussion and Analysis Report .....	16
Auditors Report .....	17
Balance Sheet.....	18
Profit & Loss Account .....	19
Schedules 1 to 17 .....	20

# J.L. MORISON (INDIA) LTD.

## NOTICE FOR THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 72nd 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 Friday, the 28th day of September 2007 at 11.30 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, 2007 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 financial year ended on 31st March 2007.
3. To appoint a Director in the place of Mr. Atul Tandan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Mr. Varun Mody, 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 thought fit, to pass with or without modifications the following resolution as **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 re-appointment of Shri Raghu Mody as Chairman & Whole Time Director of the Company, with effect from 1st November 2006 to 31st October 2011 on such terms and conditions as set out in the agreement entered into between the Company and Shri Raghu Mody as per the copy of the same placed before this meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things as may be necessary to carry on the purpose of this resolution".

7. To consider, and if thought fit, to pass with or without modifications the following resolution as **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. Bipin Vengsarkar, Executive Director of the Company, with effect from 01.04.2007 on such terms and conditions as set out in the Supplemental Agreement entered into between the Company and Mr. Bipin Vengsarkar as per the copy of the same placed before this meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things as may be necessary to carry on the purpose of 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. The Register of Members and the Share Transfer Books of the Company will remain closed from 21st September 2007 to 28th September 2007 (both days inclusive).
3. 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.
4. The dividend, when declared, will be paid to those Members whose name appears in the Company's Register of Members as on 28th September 2007.
5. 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, 3rd floor, 234/4 Acharya Jagdish Chandra Bose Road, Kolkata – 700 020.
6. Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, unpaid / unclaimed dividend for the financial years ended on March 31, 1995; March 31, 1996, March 31, 1997, March 31, 1998 and March 31, 1999, 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 Interim Dividend	Dividend for the year	Due Date for Transfer
29th March 2000	1999 - 2000	28th April 2007

7. 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.
8. Shareholders are requested to bring their copies of the Annual Report to the Meeting.



# J.L. MORISON (INDIA) LTD.

9. 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.
10. 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.
11. Re-appointment of Director: The brief particulars of the Director of the Company, retiring by rotation and proposed to be re-appointed at the ensuing Annual General Meeting are furnished as below :

Prof. Atul Tandon is a Director & faculty in Mudra Institute Of Communications, Ahmedabad (MICA) with over 35 years of experience in the field of Marketing on construction, hospitality, retailing interests, brand building and retailing of premium cosmetics. A Strategy Advisor on strategizing the agency, client marketing and communications interface, A Training Facilitator on general management for middle / senior management professionals. A Marketing & Advertising Facilitator on customer services development and brand building in Key Digital Telephone Systems, Brand Management, Business Policy, Business Ethics with Consulting Interest in Health System, Media Impact, and Advocacy. He is also a member of various Professional Societies and Associations.

Mr. Varunn Mody, a honours graduate from Calcutta University, has excelled in both his Scholastic, and Collegiate levels with multiple distinctions. Having joined the Family business at age of 20, whilst still attending college, he underwent extensive on the job hands on training within all levels of the family enterprises. He has gained invaluable experience under the encouragement and tutelage of his grandfather Mr. Raghu Mody. From the very outset he has had very extensive exposure in the International Business Arena, which has gained him tremendous insight of global business operations. As a result he is becoming rapidly equipped to handle the business with an eye on the global stage, which provides the litmus test of person's abilities in converting academic knowledge into bankable performance. The Company has seen good value addition and consolidation of its business since his getting involved on a full time basis over the past couple of years. Mr. Varunn Mody is Director in Pallawi Resources Ltd, Hindustan Composite Limited, Rasoi Express (P) Ltd and Alipore Consultants Pvt Ltd. He is also the Member of ASSOCHAM – Managing Committee, ACMA – Young Business Leaders Forum.

Dated: May 11, 2007

By Order of the Board of Directors

**Registered Office :**

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

**PURUSHOTTAM KEJRIWAL**  
COMPANY SECRETARY

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

### ITEM NO. 5

Considering the valuable services rendered to the company by Shri Raghu Mody, the Board of Directors of the Company, subject to the approval of the members of the company, has re-appointed him as Chairman and Whole Time Director pursuant of Section 269 of the Companies Act, 1956, at its meeting held on October 31, 2006, in accordance with the following terms and conditions:

**Period :** Five years from 1<sup>st</sup> November 2006

**Salary :** Rs. 7.80 Lacs per annum.

**Perquisites :**

- i. He shall be entitled to perquisites like furnished accommodation, gas, electricity, water, uniform allowance, books and periodicals, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance etc., in accordance with the Company's rules, the value of such perquisites being restricted to Rs. 3.5 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 Board of Directors to revise upward at their 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 above remuneration shall be paid as minimum remuneration in the absence or inadequacy of profits, subject to provisions of part II of schedule XIII to the Companies Act, 1956.

Shri Raghu Mody will not be paid any sitting fees for attending the

meetings of the Board of Directors or any committee thereof.

The appointment of Shri Raghu Mody as Chairman and Whole Time Director of the Company can be terminated by either party giving to the other one month's notice or upon Shri Raghu Mody ceasing to be the director of the Company.

The Board recommends the ratification of re-appointment of Shri Raghu Mody as the Chairman and Whole Time Director of the Company for the approval of the members.

None of the Directors except Shri Raghu Mody and Mr. Varunn Mody are concerned or interested in this resolution

### ITEM NO. 6

Considering the valuable services rendered to the company by Mr. Bipin Vengsarkar, the Board of Directors of the Company, subject to the approval of the members of the company, has approved the revision in the remuneration of Mr. Bipin Vengsarkar, Executive Director of the Company w.e.f. 01.04.2007 in accordance with the following terms and conditions:

#### PART I

**Salary :** Rs. 6.60/- Lacs per annum.

**Perquisites :**

Mr. Vengsarkar will be entitled to perquisites like House Rent Assistance, Education Assistance, Leave Travel Assistance, Medical Assistance; etc provided the total value of such perquisites should not exceed Rs. 860800/- per annum.

The Company will take a Personal Accident Insurance Policy for Mr. Vengsarkar, Mediclaim Policy for Mr. Vengsarkar and his Family as per the rules of the Company.

#### PART II

- i. Provident Fund : Company's contribution to Provident Fund will not exceed 12% of the salary per annum.

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

- II. Gratuity : Gratuity will be paid as per normal Company's rules.  
 III. Car : Company's Car will be provided to Mr. Vengsarkar.

These facilities will not be considered as Perquisites.

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

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

- a) Economy Air Fare / First Class AC Rail Fare.
- b) Actuals to cover stay in hotels and cost of local conveyance.

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.

Any period of leave lying to the credit of Mr. Vengsarkar in excess of 84 days, during the course of the service or at any point of time during the tenure of this contract/agreement, will automatically lapse, that is, during the course of the service of Mr. Vengsarkar or during the tenure or at the termination of this contract/agreement, Mr. Vengsarkar will not be allowed any amount of leave encashment for more than 84 days. Moreover, during the course of the service of Mr. Vengsarkar or during the tenure of this contract/agreement Mr. Vengsarkar cannot encash his leave for more than 15 days in any financial year.

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

Further Mr Vengsarkar 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 Vengsarkar'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 reimbursed all such costs of relocating at actuals.

During the course of Mr Vengsarkar'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 Vengsarkar will also ensure that the terms and conditions of the licenses obtained for the Company from Overseas Associates are abided by satisfactorily.

Mr Vengsarkar 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 Vengsarkar'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 Vengsarkar will not make any attempts to establish or contact overseas companies or enter into negotiations with the existing overseas associations of the Company 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 Vengsarkar 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 Vengsarkar for the present will be posted in Mumbai.

The Company has a mutual contract/agreement with Mr Vengsarkar for period of three (3) years (that is, with effect from July 1, 2005 till June

30, 2008). Three (3) months before the expiry of the contract/agreement, the Management at its sole discretion, with/without assigning any reasons, can terminate/renew the contract/agreement for a further period on mutually agreeable terms and conditions. The same condition of notice is applicable to Mr Vengsarkar. During the three (3) years contract period, Mr Vengsarkar will be subjected to the conditions as laid down in this contract/agreement, but with specific reference to the following clauses:

- a) Mr Vengsarkar's services will be subjected to termination by 30 (thirty) 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 Vengsarkar'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 stipulation/s 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 Vengsarkar, and he shall not be entitled to question the same on any ground whatsoever.
- c) Upon the termination of Mr Vengsarkar'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 Vengsarkar 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 Mr Vengsarkar 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 Vengsarkar will not be paid any sitting fees for attending the meetings of the Board of Directors or any Committee thereof.

Mr Vengsarkar 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 this resolution for the approval of the members.

None of the Directors except Mr Bipin Vengsarkar are concerned or interested in this resolution.

Dated: May 11, 2007

By Order of the Board Of Directors

REGISTERED OFFICE:

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

PURUSHOTTAM KEJRIWAL  
 COMPANY SECRETARY

# J.L. MORISON (INDIA) LTD.

## DIRECTORS' REPORT

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

Your Directors' have pleasure in presenting the 72<sup>nd</sup> Annual Report and Statement of Accounts of the Company for the financial year ended on March 31, 2007.

	Rs in lakhs 2006-07	Rs in lakhs 2005-06
(a) Sales & Other Income	10,768.46	9,321.30
(b) Cost of Sales	10,039.81	8,732.68
(c) Gross Profit	728.65	588.42
(d) Interest	65.30	22.45
(e) Depreciation	62.22	54.47
(f) Operating Profit	601.13	511.50
(g) Profit on Sale of Investment	-	4.09
(h) Profit Before Tax (f + g)	601.13	515.59
(i) Provision for Taxation	204.54	145.37
(j) Depreciation of earlier year's adjusted	5.21	-
(k) Net Profit after Tax	401.80	370.22
(l) Dividend @ 25%	34.13	34.13
(m) Dividend Tax	5.80	4.79
(n) Transfer to General Reserve	361.86	331.31

### Dividend

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

### Performance

The year 2006-07 has been very eventful both for the Indian Economy, and more importantly for your Company. With the GDP growth rate of more than 8% month-on-month, and with the Consumer Confidence Index soaring, your Company has grown by a whopping 36% in the personal & Healthcare segments. This has been achieved through both organic as well as inorganic growth in the categories that we operate.

Sales of NIVEA Body Lotions continued to show very good growth whereas both the creams – the multi-purpose 'Blue' variant and the lighter soft 'White' variant also recorded good growth this year. Another category that has shown good growth over the previous year is the Deodorants category, facilitated by the launch of a new "Aqua Cool" variant with very good advertising support from our Principal Company – Nivea India Pvt. Ltd. This category contributed an additional business to NIVEA. The Men's range growth was hampered due to non-availability of certain products due to the changeover to an improvised International formulation by our Principals, resulting in shortages and stock-outs. The competition for personal care products continues to get fiercer, but we have been able to face the same with competitive trade activities and adequately supported by above-the-line advertising.

The Company continues to be haunted by the free availability of cheaper imported goods, which affects the sales of the NIVEA brands in main urban markets, especially in the traditional Deo and Creams category.

During the year the sales of toothpaste for sensitive teeth and gum care continued to perform. The sales on the mouth rinse suffered because of no production due to technical reasons. The Management is confident of reviving this segment in the next year with focused promotions in

areas with untapped potential.

The Management is pleased to announce, that during the Year, your Company introduced the Baby care range of products under the "MORISONS BABY DREAMS" umbrella brand, consisting of 5 main products viz., Baby Oil, Baby Bath, Baby Powder, Baby Soap and Nappy Cream. A few more products in the category are slated to be launched next year. The initial response from users of the products is quite encouraging, however the environment is dominated by a well-entrenched International leading brands, and this category will require huge investment to promote the brand and lots of patience. The feeding bottles part of this category continues to grow.

Your Company has also entered into the fragrance market by launching its "Morisons Cologne" in three variants i.e. Blue (For Men), Pink (For Women) and the Traditional Yellow. The initial response was very good and sales in the years to come will pickup.

Your Company has also entered in Mens Range with "Morisons GentleMen" Brand of products and initially launched Shaving brush in this category which is a huge success. Other Mens product will be launched under this Sub-brand in the years to come.

Your Company has now entered into an exclusive Distributor arrangement with Merisant India Pvt Ltd., for an initial period of 5 years. Merisant India Pvt Ltd. is a subsidiary of Merisant Worldwide Inc. known for their range of low-calorie sugar substitutes under the brand names of 'EQUAL' and 'CANDEREL'. Your Company has from 1<sup>st</sup> January 2007 started selling and distributing 'EQUAL' and hopes to do well in a growing market valued at around Rs. 100 Crores.

In the CARNATION Footcare category, the insoles and other heel pads have not performed well due to poor acceptance by the customers as it is a very niche category. Your Company has therefore decided to concentrate on the Corn & Callous removing sub-category, which has shown good growth over the previous year. Tremendous potential exists in the Tier II towns which we have not so far tapped. The Corn Removers category is dominated by too many unknown products from the unorganized sector and is sold at less than half the price of our products.

The other brand "Snoreeze" of Passion for Life Healthcare Ltd (UK) and our own brand "Lignotox" of Oral care Segment continued to perform but there is a huge latent potential in these two brands.

Your Company continues the oil trading business, which includes importing of Crude Palm Oil, Crude Degummed Soya bean Oil and other Crude and Refined Edible Oils and thereafter selling these Oils in the Indian Markets. During the year, turnover of oil trading business was Rs. 2508 Lacs. This Business has vast potentials of growth in India due to emerging Crude and Refined Edible Oils markets in India in next few years.

During the year 2006-07, your Company continued to manufacture products at Waluj, near Aurangabad for NIVEA. All these products are made to International Standards.

### Public Deposits

During the year under review, the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act 1956.

### Cost Audit

Pursuant to the provisions of section 233B of the Companies Act, 1956



# J.L. MORISON (INDIA) LTD.

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 duly audited by the Cost Auditor of the Company M/s P. M. Nanabhoy & Company, Mumbai, to the Central Government upto the year 2005-2006.

## Foreign Exchange Earnings and Outgo

During the financial year 2006-2007, total foreign exchange used and earned was Rs. 2542 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 Herbert Wietelmann resigned from the directorship of the Company w.e.f. 31<sup>st</sup> October 2006. The Board of Directors present their sincere appreciation for the valuable guidance extended by Mr Wietelmann during his tenure as Director of the Company.

Mr Atul Tandon and Mr Varunn Mody, directors of the Company retire by rotation and being eligible, offer themselves for reappointment.

## Auditors

The auditors of the Company M/s Haribhakti & Co., Chartered Accountants, retires 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 Exchanges

The Company's shares are listed at The Calcutta Stock Exchange Association Limited, Bombay Stock Exchange Limited and the Bangalore Stock Exchange and the Annual Listing Fees for the year 2006-2007 has been paid.

## Secretarial Compliance Certificate

Secretarial Compliance Certificate received from M/s Manish Ghia & Associates, Practicing Company Secretaries, as required under section 383A of the Companies Act, 1956, for the financial year 2006-2007 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 looks forward for their continued support.

The Directors would also like to place on record their appreciation and gratitude to all their partners for their co-operation and support to your company.

Dated: May 11, 2007

On Behalf 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 2006-07 (POWER & FUEL CONSUMPTION)

Particulars	Current Year 2006-07	Previous Year 2005-06
<b>1 Electricity</b>		
A Purchase in units (Lakh)	3.1	1.93
Total Amount (Rs. Lakh)	15.2	8.07
Rate/Unit (Rs.)	4.9	4.18
<b>B Own Generation</b>		
Through Diesel Generator in units – Lacs	0.01	0.03
Units / Per Ltr. of Diesel oil	1.7	2.58
Cost / Unit (Rs.)	20.51	14.42
<b>2 Furnace Oil / LDO</b>		
Quantity (K Ltrs)	16.10	14.50
Total amount (Rs. Lakhs)	4.66	4.28
Average Rate Rs./ (Ltr)	30.12	29.51

## Highlights

- A) Due to installation of Automatic Filling, Packing & labeling machines and Commissioning of Centrally Air Condition Unit with AHU in the factory, the unit consumption has increased during the year.
- B) Kept to Power generation stands reduced due to lesser dependency on the D. G. Set as normal Power supply was received from M. S. E. B. during the year. Increase in the rate of diesel this year also increase the cost per unit generated.
- C) Increase in the production kept the LDO consumption higher side.



# J.L. MORISON (INDIA) LTD.

**MANISH GHIA & ASSOCIATES**  
Company Secretaries

4, Chandan Niwas(old), 1st Floor,  
M.V Road, Off. Andheri Kurla Road,  
Behind Andheri Gymkhana,  
Andheri (E), Mumbai- 400 069

## COMPLIANCE CERTIFICATE

Authorised Share Capital : Rs.3,00,00,000/-  
Company Reg. No. : 21- 088167

To,  
The Members,  
**J. L. Morison (India) Limited**  
Rasoi Court,  
20, Sir R. N. Mukherjee Road, Kolkata – 700 001

We have examined the registers, records, books and papers of **M/s. J. L. Morison (India) Limited (the Company)** 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 2007 (Financial year)**. In our opinion and according to the examination carried out by us and explanations furnished to us by the Company, its officers and agents, and to the best of our knowledge and belief, we certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained the registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Companies Act, 1956 and the rules made thereunder and entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Maharashtra, Mumbai, within time the prescribed under the Companies Act, 1956 and the rules made thereunder. The Company has paid the necessary additional fee for the document filed after the time prescribed under the act.
3. The Company being a Public Limited Company, has the paid up capital of Rs. 1,36,50,340/- (Rupees One Crore Thirty Six Lacs Fifty Thousand Three Hundred Forty) as on 31st March, 2007 and the restrictive provisions of Section 3(1) (iii) of the Act are not applicable.
4. The Board of Directors duly met 5 (Five) times respectively on 5th May 2006, 3rd July 2006, 28th July, 2006, 31st October 2006 and 31st January 2007 and as per information and explanation given by the management, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. 9 (Nine) circular resolutions were passed by the Company during the financial year.
5. The Company has closed its Register of Members from 13th September 2006 to 19th September 2006 (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 2006 was held on 19th September 2006 and as per information and explanation given by the management, the Company has given adequate 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 loans to its directors 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 in respect of contracts specified in that Section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
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 Central Government.
12. The Board of Directors of the Company has approved the issue of duplicate share certificates.
13. The Company :
  - (i) has delivered all the share certificates on allotment of bonus shares and lodgement thereof for transfer / transmission or any other purpose in accordance with the provisions of the Act.
  - (ii) has deposited the amount of Dividend declared at the Annual General Meeting held on 19th September 2006 into a separate Bank account on 21st September 2006 which was within Five days from the date of declaration of such dividend.
  - (iii) has posted warrants for dividends to all members within a period of 30 (Thirty) days from the date of declaration in respect of dividend declared at the Annual general Meeting held on 19th September 2006 and that all unclaimed / unpaid dividend has been transferred to Un-paid dividend Account of the Company with HDFC Bank Ltd., Mumbai.
  - (iv) pursuant to the provisions of Section 205A of the Companies Act, 1956, unclaimed dividend for the financial year ended on 31st March 1999, which remained unclaimed or unpaid for a period of seven years, have been transferred to the Investor Education and Protection Fund.
  - (v) has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. The appointment of Additional Directors / Director and Director retiring by rotation was duly made during the financial year.
15. The Company has re-appointed Chairman and Whole-time Director during the financial year and has complied with the provisions of the Act.
16. The Company has not appointed any sole selling agent during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year.
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 thereunder.
19. The Company has not issued shares / debentures / other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares & bonus shares pending registration.
23. The Company has not invited / accepted any deposits including any unsecured loans during the financial year which is falling within the purview of section 58A read with the Companies (Acceptance of Deposit) Rules, 1975 / the applicable directions issued by the Reserve Bank of India / any other authorities.
24. The Company has not made any borrowings during the financial year except borrowings made in due course of business activities.
25. The Company has made loans and advances, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum

# J.L. MORISON (INDIA) LTD.

with respect to situation of the Company's registered office from one State to another during the financial year.

27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial year.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the financial year.
30. The Company has not altered its Articles of Association during the financial year.
31. There were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other

punishment was imposed on the Company during the financial year, for offences under the Act.

32. The Company has not received any money as security from its employees during the financial year.
33. The company has deposited both Employee's and Employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Companies Act.

Place : Mumbai  
Date : 11th May, 2007

For Manish Ghia & Associates  
Company Secretaries

Partner  
(Manish L. Ghia)  
M. No. ACS 7254  
C.P. No.: 3531

## ANNEXURE A:

### Registers Maintained by M/s. J. L. Morison (India) Limited

- 1) Register of Members under section 150 of the Companies Act, 1956.
- 2) Index of Members under section 151 of the Companies Act, 1956.
- 3) Register of Share Transfers / transmission.
- 4) Register and Returns under section 163 of the Companies Act, 1956 (including copies of all annual returns prepared under Section 159 & Section 160 of the Companies Act, 1956)
- 5) Register of Directors under section 303 of the Companies Act, 1956.
- 6) Register of Contracts and Disclosure of Directors Interest under section 301 of the Companies Act, 1956.
- 7) Register of Directors shareholdings under section 307 of the Companies Act, 1956.
- 8) Minutes Book of the Meetings of Board of Directors and General Meetings under Section 193 of the Companies Act, 1956.
- 9) Register of Directors Attendance.
- 10) Register of Shareholders' / Proxys' Attendance.
- 11) Register of Renewal, Split, Consolidation and Duplicate Share Certificates.

## ANNEXURE B:

### Forms and Returns filed by M/s. J. L. Morison (India) Limited :

A) With the Registrar of Companies, West Bengal during the financial year ending on 31<sup>st</sup> March, 2007.

Sl. No.	Form No.	Relevant Section	Description	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1.	32	303	Particulars of resignation of Mr Shburabh Sharma, Company Secretary of the Company w.e.f. 3rd July 2006.	17.07.2006	Yes	N.A.
2.	CAR	233B(4)	Cost Audit Report for the year ended 31st March 2006.	27.09.2006	N.A.	N.A.
3.	23	192	Particulars of approval and ratification of revised remuneration of Mr Bipin Vengsarkar, Executive Director of the Company.	10.10.2006	Yes	No
4.	32	302	Particulars of appointment of Mr Varunn Mody as director of the Company retiring at the Annual General Meeting held on 19th September 2006.	14.10.2006	No	Yes
5.	32	302	Particulars of appointment of Mr P. Kejriwal as Company Secretary of the Company w.e.f. 28th July 2006.	14.10.2006	No	Yes
6.	23AC/ 23ACA	220 (1)	Schedule - VI (Annual Accounts) for the Financial year ended 31st March, 2006.	20.10.2006	Yes	No
7.	66	383A	Compliance Certificate under Section 383A of the Companies Act, 1956 for the year ended on 31st March, 2006	26.10.2006	No	Yes