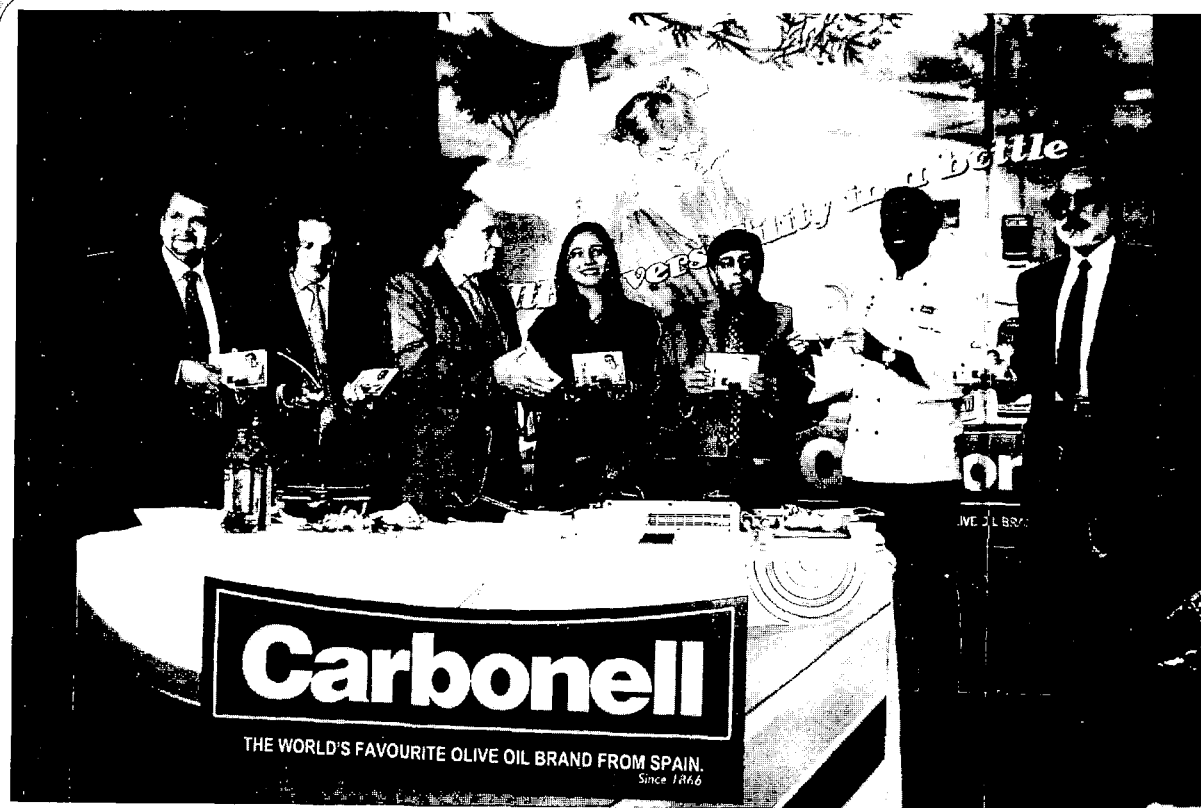


Annual Report 2007-08

Report  Junction.com

RIDE THE WAVE...

J. L. MORISON (INDIA) LTD



Mr. Varunn Mody, Director- J. L. Morison (India) Ltd., with Mr. Federico Ronco, Director Grupo SOS (2nd from Left) and other dignitaries at the Launch of "Carbonell" Olive Oil, endorsed by the Brand ambassador Master Chef Mr. Sanjeev Kapoor.



Mr. Varunn Mody - Director, J. L. Morison (India) Ltd., receiving trophy, for outstanding performance of Equal Brand in India. The prize was awarded by Mr. Paul Block, Chairman and CEO, Merisant Company, USA.

BOARD OF DIRECTORS

R. N. MODY	CHAIRMAN
VARUNN MODY	DIRECTOR
BIPIN VENGSAKAR	EXECUTIVE DIRECTOR
ATUL TANDAN	DIRECTOR
LT. GEN(RETD) K. S. BRAR	DIRECTOR
H. K. KEJRIWAL	DIRECTOR
L. LYON	DIRECTOR

BANKERS

CANARA BANK
BANK OF INDIA
CORPORATION BANK

AUDITORS

HARIBHAKTI & CO
CHARTERED ACCOUNTANTS
MUMBAI - 400 021

SOLICITORS

KHAITAN & 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, NEAR SIEMENS FACTORY,
WALUJ, AURANGABAD - 431 136
MAHARASHTRA

CONTENTS

	Page No. (s)
Notice	2
Directors' Report	5
Report on Corporate Governance	10
Management Discussion and Analysis	16
Auditors' Report	17
Balance Sheet	20
Profit & Loss Account	21
Schedules 1 to 17	22

J. L. MORISON (INDIA) LIMITED

NOTICE is hereby given that the 73rd ANNUAL GENERAL MEETING of the Members of J. L. MORISON (INDIA) LIMITED will be held on Thursday, the 25th day of September 2008 at 11.30 A.M. at Kala Kunj, 48 Shakespeare Sarani, Kolkata – 700 017, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended on 31st March 2008 and the Balance Sheet as on that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend on equity shares for the financial year ended on 31st March 2008.
3. To appoint a Director in the place of Mr. H. K. Kejriwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Mr. L. Lyon, 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 Annual General 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 a **Special Resolution**:

"RESOLVED THAT subject to the provisions of Section 198 and 309 and all other applicable provisions of the Companies Act, 1956, the consent of the Company be is hereby given for the payment of Commission upto 1% (one per cent) of the net profits of the Company as computed in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956 for the 3 (three) financial years starting from the financial year ended 31st March 2008 to Mr. Varunn Mody, Director of the Company."

7. To consider, and if thought fit, to pass with or without modifications, 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') read with Schedule XIII to the Act, the Company hereby approves the re-appointment and terms of remuneration of Mr. Bipin Vengsarkar as Executive Director of the Company, for a period of 3 (three) years w.e.f. 1st April 2008 upon the terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Bipin Vengsarkar.

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 INCASE OF POLL ONLY TO 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 Friday, 19th September 2008 to Thursday, 25th September 2008 (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. If the dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made on or after 26th September 2008 as under:
 - a) To all Beneficial Owners in respect of shares held in electronic form as per data made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on 25th September 2008;
 - b) To all members in respect of shares held in physical form, to those members whose name appears in the Company's Register of Members as on 25th September 2008.
5. Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, unclaimed dividend for the financial years ended upto 31st March 2000 have been transferred to the Investor Education and Protection Fund (IEPF).
The details of dividend declared by the Company for the year 2000-2001 and its due date for transfer to Investor Education and Protection Fund, if remains unclaimed by the Shareholders are given below:

Date of Declaration of Dividend	Dividend for the year	Due Date for Transfer
22 nd Aug. 2001	2000 - 2001	21 st Sept. 2008

6. 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.
7. Shareholders are requested to bring their copies of the Annual Report to the Meeting.
8. 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.
9. 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.

10. Re-appointment of Directors: 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 :

Mr. H. K. Kejriwal

Mr. H. K. Kejriwal is a renowned academician. He is founder Chairman of HK Kejriwal International School. He does not hold any shares of the Company.

Mr. L. Lyon

Mr. L. Lyon is expert in management. He is also director of Hindustan Composites Limited. He does not hold any shares of the Company.

Mr. Bipin Vengsarkar

Mr. Bipin Vengsarkar is a Masters in Science and Masters in Management studies from NMIMS. He started his career

with Voltas in their Pharmaceutical & Consumer Products Division way back in 1985, and has had various stints in Sales, Brand and General management functions. After having launched Pepsi in Mumbai, he joined the Scholl joint venture in India as head of Sales and marketing and went on to become the Country General Manager, before joining JLM.

He does not hold any shares of the Company.

By Order of the Board of Directors

Place : Mumbai
Date : 8th May 2008

Bipin Vengsarkar
Executive Director

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

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

ITEM NO. 6

Mr. Varunn Mody, director of the Company is engaged in day-to-day business activities of the Company. Considering the services rendered by Mr. Varunn Mody, the Remuneration Committee of the Company has recommended to pay commission to him upto 1% (one per cent) of the net profits of the Company as computed in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956 for the 3 (three) financial years starting from the financial year ended 31st March 2008.

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

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

ITEM NO. 7

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, re-appointed Mr. Bipin Vengsarkar, Executive Director of the Company for 3 (three) years w.e.f. 1st April 2008 on the following terms and conditions:

PART I

Salary : Rs. 8.40 Lacs per annum.

Perquisites :

Shri 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. 9,39,200/- per annum.

The Company will take a personal accident insurance policy for Shri Vengsarkar, mediclaim policy for Shri 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.
- II. Gratuity : Gratuity will be paid as per the rules of the Company.
- III. Car : Company's Car will be provided to Shri Vengsarkar.

These facilities will not be considered as Perquisites.

Shri Vengsarkar will be entitled to leave as per the rules of the Company.

Whenever Shri 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 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 Shri 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 Shri Vengsarkar or during the tenure or at the termination of this contract/agreement, Shri Vengsarkar will not be allowed any amount of leave encashment for more than 84 days. Moreover, during the course of the service of Shri Vengsarkar or during the tenure of this contract/agreement Shri Vengsarkar cannot encash his leave for more than 15 days in any financial year.

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

Further Shri Vengsarkar will perform such duties as will be

J. L. MORISON (INDIA) LIMITED

allotted to him by the Management / Board of Directors from time to time for the Company or for any associates of the Group Companies.

Shri 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 Shri 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, Shri Vengsarkar will also ensure that the terms and conditions of the licenses obtained for the Company from Overseas Associates are abided by satisfactorily.

Shri 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.

Shri 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.

Shri 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.

Shri 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.

Shri Vengsarkar for the present will be posted in Mumbai.

The Company has a mutual contract/agreement with Shri Vengsarkar for period of 3 (three) years (i.e. with effect from 1st April 2008 till 31st March 2011). 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 Shri Vengsarkar. During the 3 (three) years contract period, Shri Vengsarkar will be subject to the conditions as laid down in this contract/agreement, but with specific reference to the following clauses:

a) Shri Vengsarkar's services will be subject 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 Shri Vengsarkar's employment forthwith without notice or compensation in lieu of notice at any 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.
- c) Upon the termination of Shri 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.

Shri 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 Shri 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.

Shri Vengsarkar will not be paid any sitting fees for attending the meetings of the Board of Directors or any Committee thereof.

Shri 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 is concerned or interested in this resolution.

By Order of the Board of Directors

Place : Mumbai
Date : 8th May 2008

Bipin Vengsarkar
Executive Director

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

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

Your Directors' have pleasure in presenting the 73rd Annual Report and Statement of Accounts of the Company for the financial year ended on 31st March 2008.

Financial highlights

(Rs. in Lakhs)

	2007-08	2006-07
(a) Sales & Other Income	18,037.50	10,768.46
(b) Cost of Sales	17,425.93	10,039.81
(c) Gross Profit	611.57	728.65
(d) Interest (Net)	300.42	65.30
(e) Depreciation	100.15	62.22
(f) Operating Profit	526.45	601.13
(g) Profit Before Tax	526.45	601.13
(h) Provision for Taxation	144.40	204.54
(i) Depreciation of earlier year adjusted	-	5.21
(j) Net Profit after Tax	401.91	401.80
(k) Dividend @ 25%	34.12	34.12
(l) Dividend Tax	5.80	5.80
(m) Transfer to General Reserve	361.99	361.86

Dividend

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

Performance

The year 2007-08 has been a year of transition for your Company where we have entered newer categories, while mutually agreeing to part company with old associates. The Fast Moving Consumer Goods (FMCG) industry in which your Company operates has shown a growth of 14.5% for the fiscal year 2007-08, according to a FICCI survey.

As reported last year, you are all aware that our long term partners for NIVEA – Beiersdorf AG of Germany set up a 100% subsidiary from January 2006, namely Nivea India Pvt. Ltd, and we mutually agreed to continue distribution in the traditional channels till end-December 2007. Having assisted Nivea India to get a foothold for their brand in the Country, your Company ensured a smooth transition for them to grow the brand on their own through their 100% subsidiary. This has also been acknowledged by them and we wish them well in future.

In spite of this understanding of parting ways from January 2008, your company has recorded a growth on the Nivea business vis-à-vis the same period last year. However, on a like-to-like traditional channel basis, after discounting sale in the Modern Trade which we discontinued handling in 2007, the growth was even better. Most of this growth came from the 'Deos' category and new products in 'Whitening for Men' and the 'Visage' range launched during the year, with heavy advertising support from our Principals.

During the year the sales of EMOFORM – the toothpaste for sensitive teeth and gum care, recorded a good growth. The

production of Mouthrinse was shifted from Waluj to Kolkata, and manufacturing recommenced from November 2007. We were able to meet only a small part of the mouthrinse demand in the financial year. The Management is confident of reviving this segment in the next year with focused promotions in areas with untapped potential. We are also looking at other opportunities in the Oral Healthcare segment.

As also reported last year, your Company was appointed as the exclusive Distributor for EQUAL – the low calorie substitute, from January 2007. The Management is pleased to announce, that the brand was successfully distributed all over India in a market dominated by a leading local brand. EQUAL continued to be 2nd in the category. The first full year of operations was also appreciated by our Principals, with an award – "in recognition of an outstanding First Year as the the Equal Distributor in India", from the Chairman of Merisant Company, USA. The Management is confident that this category will grow at a much faster pace with marketing support from Merisant India Pvt. Ltd.

With the distribution rights to 'Equal', it was only natural for your Company to explore the possibility of further partnerships in related categories. We were fortunate to get a positive response from the largest Olive Oil Company in the World, viz., Grupo SOS from Spain for the distribution of their prestigious brand – CARBONELL, in India. The Olive Oil market in India is presently growing at over 35% and is expected to grow further. We started distribution of CARBONELL Extra Virgin as well as Pure Olive Oil towards the end of the fiscal year, and we see it as a category with a good potential. CARBONELL is the World's largest selling Olive Oil brand from Spain. We are also proud to announce that Master Chef Sanjeev Kapoor has agreed to endorse the brand. This should give us an advantage in a highly cluttered market.

The year also saw your Company being appointed as the Sole Distributor for 'BIGEN', a brand owned by Hoya Co., of Japan where it dominates in the Hair Colour segment. The brand was earlier available in India but our good distribution strengths prompted our Principals to change distribution to your Company. Distribution gaps in the market and with a loyal base of consumers, we initially introduced the brand in the Western part of the Country. This has now been extended to all the important Cities across India. Your Company expects good growth in this business.

In the CARNATION Footcare category, after having decided last year to focus only on the Corn & Callous category, we have seen moderate growth. We plan to extend our distribution to A class stores in Tier II towns to encash on the opportunity in these towns.

The MORISONS range of products consisting of feeding bottles/nipples, colognes, shaving brushes continue to do well. With the introduction of MORISONS toothbrushes, the range has shown an overall robust growth. We will continue to introduce more such products in the category for greater growths in future.

We are also pleased to inform you that we have entered the Men's grooming category with the MORISONS 'JENTLEMEN' range of products consisting of Shaving Creams, After Shave Lotions and Moisturiser for Men. The real impact of this launch will be felt next year.

Your Company continues the oil trading business, which includes importing of Crude Palm Oil, Crude Degummed Soybean Oil and other Crude and Refined Edible Oils and

J. L. MORISON (INDIA) LIMITED

thereafter selling these Oils in the Indian Markets. During the year, the total Turnover of Oil Trading Business grew considerably. This Business has vast potential of growth in India due to emerging Crude and Refined Edible Oils markets in India the next few years, and your Company will continue to expand this business even though it is a low margin because of the high volumes.

During the year 2007-08, your Company continued to manufacture products for NIVEA at Waluj, near Aurangabad. All these products are made to International Standards as per guidelines of Beiersdorf AG, Germany.

Public Deposits

As of 31st March 2008 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 duly audited by the Cost Auditor of the Company P. M. Nanabhoy & Company, Mumbai, to the Central Government upto the year 2006-2007.

Foreign Exchange Earnings And Outgo

During the financial year 2007 - 2008, total foreign exchange used and earned was Rs. 601.92 Lacs and Rs. Nil respectively.

Particulars of Conservation of Energy & Technology Absorption

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

Particulars of Employees

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

Directors

Mr. H. K. Kejriwal and Mr. L. Lyon directors of the Company retire by rotation and being eligible, offer themselves for reappointment.

Your directors recommended their reappointment.

The Board of Directors in their meeting held on 8th May 2008 has reappointed Mr. Bipin Vengsarkar as Executive Director for a further period of 3 years w.e.f. 1-4-08, subject to the approval of members of the Company in their ensuing Annual General Meeting.

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.

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 2007-2008 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.

Stock Exchanges

The Company's shares are listed at The Bombay Stock Exchange Limited, Calcutta Stock Exchange Association Limited and the Bangalore Stock Exchange and the Annual Listing Fees for the year 2008 - 2009 has been paid.

Corporate Governance

Management Discussion & Analysis and Report on Corporate Governance is annexed herewith and forms part of this Report.

Acknowledgement

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

On Behalf of the Board of Directors

Place : Mumbai,
Date : 8th May 2008

R. N. MODY
CHAIRMAN

REGISTERED OFFICE:

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

ANNEXURE TO THE DIRECTORS' REPORT CONSERVATION OF ENERGY - YEAR 2007-2008 (POWER & FUEL CONSUMPTION)

Particulars	Current Year 2007-08	Previous Year 2006-07
1 <u>Electricity</u>		
A Purchase in units (Lakh)	3.08	3.10
Total Amount (Rs. Lakh)	16.24	15.20
Rate/Unit (Rs.)	5.27	4.90
B <u>Own Generation</u>		
Through Diesel Generator in units - Lacs	0.005	0.01
Units / Per Ltr of Diesel oil	1.73	1.70
Cost / Unit (Rs.)	20.83	20.51
2 <u>Furnace Oil / LDO</u>		
Quantity (K Ltrs)	16.50	16.10
Total amount (Rs. Lakhs)	5.26	4.66
Average Rate Rs./ (Ltr)	31.88	30.12

Highlights

- A. Close monitoring helped to keep electricity consumption under control inspite of additional machines put to use and increase in production during the year.
- B. Rate of Diesel has continued to increase during this year also, however total output/units generation per litres of Diesel Oil has improved considerably during the year resulting in lower cost of own generation as compared to previous year. Power Generation is also high due to lesser dependency on the DG set as normal power supply was received from MSEDCL during the year.
- C. Increase in the rate of LDO has increased the LDO cost although LDO consumption was kept under control.

COMPLIANCE CERTIFICATE

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

To,
 The Members,
J. L. Morison (India) Limited
 20, Rasoi Court,
 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 2008 (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, 2008 and the restrictive provisions of Section 3(1) (iii) of the Act are not applicable.
4. The Board of Directors duly met **4 (Four)** times respectively on 11th May 2007, 21st July 2007, 30th October 2007 and 30th January 2008 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. No circular resolutions were passed by the Company during the financial year.
5. The Company has closed its Register of Members from 21st September 2007 to 28th September 2007 (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 2007 was held on 28th September 2007 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 was not required to obtain any approval 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 28th September 2007 into a separate Bank account on 1st October 2007 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 28th September 2007 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 2000, which remained unclaimed or unpaid for a period of seven years, have been transferred to the Investor Education and Protection Fund.

J. L. MORISON (INDIA) LIMITED

- (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 not appointed any Managing Director / Whole-time Director during the financial year.
 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 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.

For MANISH GHIA & ASSOCIATES
Company Secretaries

Place : Mumbai
Date : 8th May 2008

Manish L. Ghia
Partner
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.