


FEM CARE PHARMA LIMITED  
15TH ANNUAL REPORT 2000-2001



6 out of 10 women who use bleach,  
use Fem Fairness Bleach.  
Any intelligent woman will tell you why.


An intelligent woman will not use  
just any bleach. After all, it is your skin.  
And you can't afford to make mistakes.

**In Fem, you have a bleach tried  
and trusted since 1982.**

Most women who use Fem once,  
find it so good they continue to use it.

**Specially created for the Indian  
skin, Fem gives your skin fairness  
you can actually see.**

So if you haven't yet, try Fem.  
It's never too late to start pampering  
your skin with the very best.



FAIRNESS BLEACH

Every intelligent woman's choice.  
Naturally, India's largest selling bleach.

The Flagship 1364/2001



If today, you are not  
in the mood for Lemon Dew,  
choose from Bouquet, Lavender,  
Blossom and Peach.

Fem Soft Gentle Soaps.  
Available in 5 exotic  
fragrances. One pearly  
drop is all it takes to make  
your hands and face  
clean, soft and fragrant.



SOFT GENTLE SOAPS

The Flagship 1365/2001

# 15th Annual Report 2000-2001

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# FEM CARE PHARMA LIMITED

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## Board of Directors

Mr. Sunil H. Pophale, *Chairman & Managing Director*  
Mrs. Sunita A. Ramnathkar, *Joint Managing Director*  
Dr. H. V. Pophale  
Mr. D. B. Khade  
Mr. V. D. Ajgaonkar

### Company Secretary

Mr. S. H. Bhat

### Management Team

Mr. S. H. Bhat

*Company Secretary*

Mr. A. L. Chaudhari

*Chief Executive Officer (Chemicals Division)*

Mr. D. Janardhanan

*Chief Executive Officer (Pharma Mktg.)*

Mr. H. V. Kolte

*Chief Executive Officer (Works)*

Mr. R. K. Mohapatra

*Chief Financial Officer*

Mr. P. M. Sarma

*Chief Executive Officer (IT Division)*

### Registered Office

Plot No. D-55, Addl. Indl. Area, M.I.D.C, Ambad, Nashik 422 010

Tel : (0253) 381966 / 383739

Fax : (0253) 383146

E-mail : femnasik@bom8.vsnl.net.in

Web site : <http://www.indiafemcare.com>

### Bankers

The North Kanara G.S.B. Co-op. Bank Ltd., Mumbai

IndusInd Bank Limited, Mumbai

Central Bank of India, Nashik

The United Western Bank Ltd., Nashik

### Auditors

M/s. Deshmukh & Kothekar

Chartered Accountants

Mumbai

### Stock Exchanges where listing is done

1. The Stock Exchange, P.J. Towers, Dalal Street, MUMBAI 400 023.

2. The Delhi Stock Exchange Association Ltd., DSE House, 3/1, Asaf Ali Road, NEW DELHI 110 002.

3. The Stock Exchange, Kamdhenu Complex, Near Sahajanand College, Panjara Pole, AHMEDABAD 380 015.



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## Notice

Notice is hereby given that the Fifteenth Annual General Meeting of the members of **FEM CARE PHARMA LIMITED** will be held at Hotel Taj Residency, Plot No. 17, MIDC, Mumbai-Agra Road, Ambad, Nashik- 422 010 on Friday, 21st September, 2001, at 11.00 a.m. to transact the following business :

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2001, and the Profit and Loss Account for the financial year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Dr. H. V. Pophale, who retires by rotation under Article 137 of the Articles of Association and being eligible, offers himself for reappointment.
3. To consider and if thought fit, to pass the following resolution, with or without modification.

RESOLVED that M/s. KAV & Co., Chartered Accountants, be appointed as Statutory Auditors of the Company till conclusion of the next General Meeting, on such remuneration as may be decided by members in the General Meeting or by Board of Directors of the Company, if so desired by members.

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass the following resolution, with or without modification, as a **Special Resolution**.

RESOLVED THAT pursuant to Section 372A and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) (hereinafter referred to as 'the Act'), the Company be and is hereby authorized to invest upto Rs. 5 lakhs to acquire shares (equity, preference or otherwise) of Fem Exports Pvt. Ltd., subsidiary of this Company by subscription, purchase or otherwise, notwithstanding that the aggregate of the loans and investments so far made in or to be made in and the guarantees so far given or to be given to all bodies corporate, exceeds the limits laid down by the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take from time to time all decisions and steps necessary or expedient or proper in respect of the above investments including the timing, the amount and other terms and conditions of such investment and varying the same through transfer, sale, disinvestments or otherwise, either in part or in full, as it may, at its absolute discretion, deem appropriate.

5. To consider and if thought fit, to pass the following resolution, with or without modification, as a **Special Resolution**.

RESOLVED THAT pursuant to Article 145 and 146 of Articles of Association of the Company and other applicable provisions, if any, of the Companies Act, 1956, the remuneration and perquisites of Mr. Sunil H. Pophale, Managing Director of the Company w.e.f. 1.4.2001, be and are hereby approved.

- a. Salary - upto Rs. 6,60,000/- per annum including dearness and all other allowances, or such salary as may be fixed by the Board of Directors, within the overall limits laid down by Schedule XIII of the Companies Act, 1956, as may be amended from time to time.
- b. Commission - 1% of the net profits of the Company subject to a ceiling of 50% of the salary or Rs. 3,30,000/- per annum whichever is less.
- c. Perquisites - Perquisites be allowed in addition to salary and / or commission or both, but perquisites shall be restricted to an amount equal to 50% of the annual salary or Rs. 3,30,000/- per annum, whichever is less.
- d. Other terms - as sanctioned earlier.

6. To consider and if thought fit, to pass the following resolution, with or without modification, as a **Special Resolution**.

RESOLVED THAT pursuant to Article 145 and 146 of Articles of Association of the Company and other applicable provisions, if any, of the Companies Act, 1956, the remuneration and perquisites of Mrs. Sunita A. Ramnathkar, Jt. Managing Director of the Company w.e.f. 1.4.2001, be and are hereby approved.

## FEM CARE PHARMA LIMITED

- a. Salary – upto Rs. 6,60,000/- per annum including dearness and all other allowances, or such salary as may be fixed by the Board of Directors, within the overall limits laid down by Schedule XIII of the Companies Act, 1956, as may be amended from time to time.
- b. Commission – 1% of the net profits of the Company subject to a ceiling of 50% of the salary or Rs. 3,30,000/- per annum whichever is less.
- c. Perquisites – Perquisites be allowed in addition to salary and / or commission or both, but perquisites shall be restricted to an amount equal to 50% of the annual salary or Rs. 3,30,000/- per annum, whichever is less.
- d. Other terms – as sanctioned earlier.

By Order of the Board

Registered Office :  
D-55, Addl. Indl. Area, M.I.D.C.,  
Ambad, Nashik 422 010  
July 27, 2001

**SHREEDHAR H. BHAT**  
Company Secretary

### NOTES

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGD. OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (b) Register of Members and Transfer Book will remain closed from 18th September, 2001 to 20th September, 2001 (both days inclusive).
- (c) Members who have multiple accounts in identical names or joint accounts in same order are requested to send all their share certificates to the Company, for consolidating all such shareholdings into one account. As per SEBI guidelines, only one copy of Annual Report has been mailed for a family, having many investors with same address.
- (d) Members are requested :
  - a. to inform the changes if any, in their registered address to the Company immediately.
  - b. to mail Nomination Form (Please see last page of Annual Report) to Company's Registered Office at Nashik.
  - c. to bring their copy of the Annual Report and Attendance Slip at the Annual General Meeting.
- (e) Company's shares have been ordered to be traded in DEMAT mode by BSE. Company has appointed Intime Spectrum Registry Pvt. Ltd., 260, Shanti Industrial Estate, Sarojini Naidu Road, Mulund (West), Mumbai-400080, as Registrars under DEMAT mode. Shareholders interested in trading in DEMAT mode may send their request and share certificates to the Company's Registered Office for doing the needful.
- (f) The relative Explanatory Statements, pursuant to Section 173(2) of the Companies Act, 1956, in respect of the business under Item No. 4 to 6 are annexed hereto.

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### Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956.

#### Item No. 4

*Fem Care Pharma has incorporated / registered a separate Company to carry on the business of exports with an intention of availing tax concessions, which may be available to export business.*

Company's Amendment Act, 2000 has prescribed a minimum paid up capital of Rs. 5 lakhs for a Limited Company. Hence, Fem Exports Pvt. Ltd. will have to comply with this amendment.

For equity investment as well as loans and advances, to subsidiary, shareholders' mandate under section 372A is required.

Hence, Board of Directors recommends the resolution for your approval as a **Special Resolution**.

None of the Directors is interested in this resolution, except as Directors of this Company and Mr. Sunil H. Pophale and Mrs. Sunita A. Ramnathkar as shareholders of Fem Exports Pvt. Ltd.

#### Item No. 5 and 6

Taking into consideration the increased role of wholtime Directors associated with growing business operations in emerging competitive environment and the performance of the Company in the current year, it was decided by Board of Directors, subject to sanction of members of the Company, to raise the remuneration of Managing Director/ Jt. Managing Director to Rs. 55,000/- each per month, which Board of Directors considers reasonable. Board of Directors recommends a remuneration of Rs. 55,000/- each per month to both Mr. Sunil H. Pophale and Mrs. Sunita A. Ramnathkar. Besides salary, both will be entitled to:

- House Rent Allowance @ 20% of salary,
- Contribution to PF / FPF @ 12% of salary,
- Reimbursement of medical expenses for self and family at one month's salary per annum,
- Leave Travel Assistance for self and family at one month's salary per annum,
- Gratuity @ 15 days salary per annum for each completed year of service, and,
- Commission at 1% of net profits, subject to ceiling prescribed by Schedule XIII of The Companies Act, 1956.

Both are provided car with chauffeur, telephone at residence and mobile. Company has taken Personal Accident Insurance Policy for both and reimburses their mediclaim insurance premium.

The proposed remuneration will be in conformity with guidelines prescribed in Schedule XIII of the Companies Act, 1956.

This Explanatory statement may please be treated as an abstract of the terms of the contract and Memorandum u/s 302 of the Companies Act, 1956.

Board of Directors recommends both the resolutions for your approval as **Special Resolutions**.

Mr. Sunil H. Pophale and Mrs. Sunita A. Ramnathkar themselves and also as relatives of each other and Dr. H. V. Pophale, being relative of both, may be treated as interested in these resolutions.

# FEM CARE PHARMA LIMITED

## Directors' Report

To the Members of  
FEM CARE PHARMA LIMITED

### ACCOUNTS

The Directors have pleasure in presenting the Annual Report and audited Accounts for the year ended 31st March, 2001.

### PERFORMANCE OF THE COMPANY

	Year ended 31st March, 2001 Rs. lakhs	Year ended 31st March, 2000 Rs. lakhs
Gross Sales & Other Income	3470.23	2865.07
Profit before Depreciation	123.98	112.08
Less : Depreciation	82.05	80.94
PROFIT BEFORE TAX	41.93	31.14
Less : Provision for Taxation	2.00	4.65
PROFIT AFTER TAX	39.93	26.49
Add : Balance brought forward	42.82	91.33
PROFIT AVAILABLE FOR	82.75	117.82
APPROPRIATION		
Less : Transfer to Debenture Redemption Reserve	75.00	75.00
PROFIT CARRIED TO BALANCE SHEET	7.75	42.82

### RESPONSIBILITY STATEMENT

The Directors confirm :

- that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same; except to the extent disclosed in Schedule 23 – Note 1.3 and 1.4 (d);
- that they have selected such accounting policies and applied them consistently and made judgments 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;
- that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that they have prepared the annual accounts on a going concern basis.





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## OPERATIONS

Your Company has achieved a quantitative increase in sales volume of all products leading to a growth of 23.41% in turnover. Sales of Pharmaceutical products recorded an increase of 37.72% over last year.

## PROSPECTS

Your company has successfully transformed itself from a single product organization into a multi product /multi division conglomerate. The Pharma Division, having surpassed its breakeven level and the Speciality Chemicals Division establishing its credentials in the global market, have contributed to the horizontal spread and vertical depth in reaching out the customers.

The growth of Over The Counter (OTC) sector has lent stability to the organization.

This growth has been possible through an increased distribution reach of our subsidiary M/s. Mirasu Marketing Ltd., which your company had acquired during the last financial year for Rs. 250 lakhs. We are happy to inform you that independent Certified Public Accountant have valued the subsidiary at Rs. 879 lakhs.

It has been an eventful year with the promise of higher activity levels in future.

### 1 Over The Counter (OTC) Products

Your Company is the Market Leader in the two categories, created by it, namely Bleaching Cream and Liquid Soap.

Both these market segments have been expanded adequately by launching product variants, and creating awareness.

Your company is successfully penetrating into the Hair Removing Cream market by offering quality product in many variants.

During the last year we have focused on :

- a. Streamlining the Distribution of our products.
- b. Communication with our customers through our brand managers placed in pockets throughout the country.
- c. Regional promotion of our products and company.
- d. Working towards achieving growth in the overall sales.

We have expanded our presence through national and regional press either in the form of interviews or product write-ups.

Your company's commitment towards social obligation was reflected through sponsorship of 'Fem Women Achievers' programme in association with Cancer Patients' Aid Association. This event boosted the image of the company and drew a lot of excitement amongst the target audience in the product portfolio of the company.

The OTC segment shall witness launching of new and innovative products backed by R&D efforts through extensive advertising and publicity campaign.

The coming year will, therefore, signify a remarkable growth in our OTC division.

### 2 Pharmaceuticals

The Company's Pharma division achieved a Sales of Rs. 985 lakhs during the year, recording a 37.72% growth over the previous years sales. This achievement is significant considering the fact that the Company did not add any new territories or products and focused its attention to consolidate its market operations and gains. New products introduced in the later half of 1999-2000 like antibiotics, anticold, anti-inflammatory drugs have contributed to incremental growth in sales, in addition to normal growth from existing products.

## FEM CARE PHARMA LIMITED

### 3 Chemical Division

Divisional turnover has recorded good increase to Rs. 54.54 lakhs as against Rs. 38.66 lakhs last year, with an increase of 41.08%.

New intermediate **N N Dimethyl formamide dimethyl acetal** production is started this year. Additional new intermediates being developed are **5-Bromo indole, 5-Cyano indole, 5-Methoxy indole, Indole-3-Acetic Acid and Indole-5-Carboxylic Acid**. These intermediates are having good potential in local as well as foreign market.

### 4 Multi Level Marketing (NUNET Division)

Your Company has recognised the need to provide alternate income to people. Over 2000 individuals have established their independent business in association with NuNet (A Direct Marketing Division of Fem Care Pharma Ltd.).

With diminishing employment level and income earning opportunities amongst the educated masses, your Company has offered a viable Networking Business Model with a range of over 20 products. NuNet is at present doing business in Mumbai, Pune and Goa.

This business activity is driven by the enthusiasm of the people who are working in the Network. Your Company expects NuNet to be high growth area of activity in the future.

### DIVIDEND

Board of Directors has decided to plough back the profits, and transferred a sum of Rs. 75.00 lakhs (1999-2000: Rs.75.00 lakhs) to Debenture Redemption Reserve.

Unclaimed dividend for 1996, 1997, 1998 and 1999 at year-end has been disclosed under Current Liabilities.

### FIXED DEPOSITS

The Company has not accepted "deposits" from the Public during the year under review.

### RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION

Disclosure of particulars with respect to Absorption of Research and Development, as required under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is furnished in Annexure-I and forms part of Directors' Report.

### CONSERVATION OF ENERGY

Energy conservation continues to receive Management's attention.

Disclosure of particulars required to be made pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is furnished in Annexure-I and forms part of the Directors' Report.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

Exports during the year were Rs.10.04 lakhs, as against Rs. 13.81 lakhs last year. Drop in exports is due to export business being handled by Company's subsidiary, Fem Exports Pvt. Ltd.

Details of foreign exchange used and earned are given under 'Additional Information'. Exploration and development of international markets continues to engage the management's attention.

