



## ANNUAL REPORT 2008 - 2009

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## **COMPANY INFORMATION**

### **Board of Directors**

Mr. R C Bhargava	-	Chairman, Independent & Non-Executive Director
Mr. P D Narang	-	Non-Executive Director
Mr. Sunil Duggal	-	Non-Executive Director
Dr. S Narayan	-	Independent & Non-Executive Director
Mr. P N Vijay	-	Independent & Non-Executive Director
Mr. V S Sitaram	-	Non-Executive Director

### **Company Secretary and Compliance Officer**

Mr. Madan Vaishnawa

*Company Secretary & Head-Finance*

### **Key Managerial Personnel**

Mr. A L Chaudhari	-	Chief Executive Officer (Chemical Division)
Mr. Cageton M Almeida	-	Chief Executive Officer (OTC Marketing)
Mr. D Janardhanan	-	Chief Executive Officer (Pharma Mktg.)
Mr. H V Kolte	-	Chief Executive Officer (Works)
Mr. Madan Vaishnawa	-	Company Secretary & Head-Finance
Mr. P M Sarma	-	Chief Executive Officer (IT Division)

### **Auditors**

**S V Ghatalia & Associates**

**Mumbai**

### **Bankers**

Corporation Bank

Standard chartered Bank

HDFC Bank

### **Registered Office**

Plot No. D-55, Addl. Industrial Area

MIDC, AMBAD

Nashik- (Maharashtra) 422010

### **Corporate Office**

A / 63-65 Mittal Tower

Nariman Point

Mumbai- 400 021

### **Plants**

1. Plot No. D-55 Addl. Ind. Area, MIDC, AMBAD, Nashik, Maharashtra
2. Gat No. 204, at Post Wadivarhe, Taluka Igatpuri, Dist. Nashik, Maharashtra
3. Plot No. 3, Survey No. 283, Manakpur, Tehsil Nalagarh, Dist. Solan, H.P.

### **Share Transfer Agents**

Sharepro Services (India) Private Limited

Satam Estate, 3rd Floor, Cardinal Gracious Road,

Chakala, Andheri (East), Mumbai - 400 099. India

## NOTICE

Notice is hereby given that the 23rd Annual General Meeting of Fem Care Pharma Limited will be held at on Thursday, 24th September, 2009 at 1.00 P.M. at Hotel Taj Residency, Plot No.17, MIDC, Mumbai-Agra Road, Ambad, Nashik 422 010, to transact the following businesses:

### Ordinary Business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended 31st March, 2009, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint M/s S V Ghatalia & Associates, Chartered Accountants, Mumbai as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix remuneration for the year ending 31st March, 2010.

### Special Business:

3. To consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:  
"RESOLVED that Mr. R C Bhargava who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
4. To consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:  
"RESOLVED that Mr. Sunil Duggal who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
5. To consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:  
"RESOLVED that Mr. P D Narang who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
6. To consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:  
"RESOLVED that Dr. S Narayan who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
7. To consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:  
"RESOLVED that Mr. P N Vijay who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
8. To consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:  
"RESOLVED that Mr. V S Sitaram who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

### Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/ HER BEHALF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of proxy in order to be effective, should be deposited at the registered office of the company, duly completed and signed, not later than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the limited companies, societies, etc. must be supported by an appropriate resolution/ authority, as applicable.
2. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. up to the date of 23rd Annual General Meeting.
3. The relative Explanatory Statements pursuant to section 173 of the Companies Act, 1956, in respect of the businesses under 3 to 8 above annexed hereto.

4. Members / Proxies should bring the Attendance Slip duly filled in for attending the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 19th September, 2009 to 24th September 2009, both days inclusive.
6. The Members are requested to kindly send all their correspondence relating to the change of address, transfer of shares, etc. directly to the Company's Registrar & Transfer Agents – Sharepro Services (India) Pvt. Ltd., Unit : Fem Care Pharma Limited, quoting their Folio Number and in case their shares are held in dematerialized form, the intimation of change of address should be passed on to their respective Depository Participants.
7. Members seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
8. The Securities and Exchange Board of India had made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the company will print the bank account details, if available, on the payment instrument for distribution of dividend.
9. You are advised to encash your dividend warrants immediately as the dividend amount remaining unclaimed / unpaid at the expiry of seven years from the date that becomes due for payment are required to be transferred by the company to the Investor Education and Protection Fund under Section 205C in terms of Section 205A of the Companies Act, 1956.
10. It may be noted that no claim will be against the company or Investor Education Protection Fund in respect of the said unclaimed dividend amount transferred to the fund.
11. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the AGM.
12. Section 109A of the Companies Act, 1956 extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders willing to avail this facility may make nomination in Form 2B.
13. As an austerity measure, copies of the Annual Report will not be distributed as the Annual General Meeting. Members are requested to bring their copies to the meeting.
14. Additional information on Directors being appointed/re-appointed as required under Clause 49 (VI) of the listing agreement with the Stock Exchanges:

Name of the Directors	Mr. R C Bhargava	Mr. P D Narang	Mr. Sunil Duggal	Dr. S Narayan	Mr. P N Vijay	Mr. V S Sitaram
Date of Birth	30 Jul 1934	12 Apr 1954	17 Jul 1957	20 Jun 1943	10 Jul 1951	21 May 1957
Date of Appointment on the Board	25/06/2009	25/06/2009	25/06/2009	25/06/2009	25/06/2009	25/06/2009
Shares held in the Company	Nil	Nil	Nil	Nil	Nil	Nil
Expertise in specific functional area	Administration and Managerial Skills in managing the business.	Corporate Finance & Tax planning, International Finance, Public Issues, Capital Markets, Strategic Planning & Management, Mergers & Acquisitions, Demergers etc.	Sales and marketing	Administration, Economics, finance, commerce & industry affairs. Retd. As economic advisor to the Prime Minister of India.	A leading Expert in Stock Market. Regular Columnist in leading Newspapers and financial Journals.	Marketing
Qualifications	Master of Arts in Development Economics and Master of Science in Mathematics	Member-Institute of Chartered Accountants of India (FCA), Member-Institute of Company Secretaries of India (FCS) and Member FICWA	B.E. (Hons.)- Electrical & Electronics and M.B.A. (IIM Calcutta)	M.Sc- Physics, MBM Finance, M. Phil- Cambridge Ph. D. IIT Delhi, IAS (Retd.)	M Sc, IIT Chennai	B. Tech and MBA

<b>Directorships held in other Public Ltd. Companies</b>	1. Dabur India Limited 2. Idea Cellular Ltd 3. Taj Asia Limited 4. ILFS Limited 5. Polaris Software Lab Ltd 6. Grasim Industries Ltd. 7. Optimus Global Services Limited 8. Maruti Suzuki India Ltd 9. Thomsom Press Ltd 10. Ultra Tech Cement Co. Ltd.	1. H & B Stores Ltd 2. Aviva Life Insurance Company India Limited 3. Dabur Liberty General Insurance Co. Ltd. 4. Dabur India Limited	1. H & B Stores Ltd 2. Dabur India Limited	1. Dabur India Limited 2. Appollo Tyres Limited 3. Godrej Properties Limited 4. Laxmi Vilas Bank	1. Dabur India Limited 2. Reed Relay & Electronics Limited	NONE
<b>Chairman/ Membership of the Committee in other Companies</b>	Dabur India Ltd. Member - Audit Committee IL & FS Limited Chairman - Audit Committee Polaris Software Lab Ltd Member - Audit Committee Grasim Industries Ltd. Member - Audit Committee Optimus Global Services Limited Chairman - Audit Committee Maruti Suzuki India Ltd Member-Shareholder Grievance Committee Thomsom Press Ltd Chairman - Audit Committee Ultra Tech Cement Co. Ltd. Chairman - Audit Committee Member-Shareholder Grievance Committee	Dabur India Ltd. Member of Shareholders Grievance Committee H & B Stores Ltd Chairman - Audit Committee Member of Remuneration Committee	H & B Stores Ltd – Member of Audit and Remuneration Committee	Dabur India Limited – Member of Audit and Remuneration Committee	Dabur India Limited – Chairman of Audit Committee, Remuneration Committee and Shareholders Committee	NONE

## **Explanatory Statement**

[Pursuant to Section 173(2) of the Companies Act. 1956]

### **Item No.3 to 8 :**

At the meeting of the Board of Directors held on June 25, 2009 Mr. R C Bhargava, Mr. Sunil Duggal, Mr. P D Narang, Dr. S Narayan, Mr. P N Vijay and Mr. V S Sitaram were appointed as Additional Directors with effect from June 25, 2009, to hold office till the date of next Annual General Meeting of the Company. It is proposed to appoint them as Directors, liable to retire by rotation. Brief profile of the aforesaid Additional Directors, in terms of the Listing Agreement, are provided elsewhere in the notice.

The Board recommends the resolutions as set out at item no. 3 to 8 of the notice.

Mr. R C Bhargava, Mr. Sunil Duggal, Mr. P D Narang, Dr. S Narayan, Mr. P N Vijay and Mr. V S Sitaram, Directors may be deemed to be interested in the resolutions at item no. 3 to 8 with respect to their own appointments.

By Order of the Board Directors

### ***Registered Office***

D-55, Addl. Indl. Area, M.I.D.C.  
Ambad, Nashik 422 010

Date: 25th June, 2009

**MADAN VAISHNAWA**  
*Company Secretary & Head- Finance*



# FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

Accounting Year	2006-07	2007-08	2008-09
Sales	8113.89	9382.07	10747.05
Total Income	8254.22	9484.53	10927.53
Earnings Before Depreciation, Interest, Amortisation and Tax (EBDITA)	1760.19	1478.75	1781.42
Profit after Tax and Minority Interest	1016.54	801.72	1065.05
Gross Fixed Assets	2965.56	4135.06	4121.60
Net Fixed Assets	2450.47	3469.86	3363.87
Net Worth	2247.41	2833.69	3904.33
Diluted Earnings Per Share of Rs. 10/- (in Rs.)	33.79	22.72	30.18
Debt - Equity Ratio	0.15	0.63	0.49
Net profit / Sales (%)	21.69	15.76	16.58
Return of Net Worth (%)	45.23	28.29	27.28

## Directors' Report

TO

THE MEMBERS OF

**FEM CARE PHARMA LIMITED**

The Directors have pleasure in presenting the 23rd Annual Report of the company together with audited accounts for the year ended 31st March, 2009

(Rs. In Lacs)

	Consolidated	
	Current Year	Previous Year
Sales including other Income	10927.53	9481.64
Profit Before Tax and Exceptional Items	1409.34	1208.35
Profit Before Tax	1243.13	920.37
Profit After Tax	1072.21	801.73
Add: Balance brought forward from previous year	1523.98	1014.60
Surplus Available for Appropriations	2589.03	1816.33
Appropriations		
Proposed Final Dividend	Nil	210.57
Tax on Dividend	Nil	35.79
Transfer to General Reserve	Nil	46.00
Balance Transferred to Balance Sheet	2589.03	1523.98

In the face of an intense competitive scenario and despite difficult economic conditions, your Company's business during the year grew in double digits. Your Company had to cope with the challenges of higher expenditure on advertisement and sales promotion to gain access into modern trade. Sales for the year increased by 14 per cent at Rs. 106.57 crore as against Rs. 93.00 crore. The profit after tax for the financial year 2008-09 grew by 33 per cent at Rs. 10.72 crore as against Rs. 8.01 crore in the previous year.

### OPEN OFFER TO ACQUIRE EQUITY SHARES OF THE COMPANY

As the Shareholders may be aware, Dabur India Limited ("Acquirer") has entered into Share Purchase Agreement dated November 21, 2008, ("SPA") with existing promoters of the Company to acquire 25,46,596 Equity Shares at a price of Rs. 800 per Share constituting 72.15% of the equity shares capital of the Company. As the aggregate equity stake of the Acquirer in the paid up equity share capital of the company, pursuant to the acquisition, will be more than the stipulated threshold of 15%, in compliance with regulation 10 and 12 of the SEBI Takeover Regulations, the Acquirer made a open offer to public shareholders to acquire 7,05,880 equity shares of the company at a price of Rs. 800 each, which closed on May 26, 2009.

### DIVIDEND

No dividend is being proposed on Equity Shares in order to conserve cash to meet the future growth plans of the Company. Your Director do not recommend any dividend.

### EMPLOYEE RELATIONS

Relations between the employees and management continued to be cordial during the year.

### TRADE RELATIONS

Your Directors wish to record appreciation of the continued unstinted support and co-operation from its retailers, stockists, suppliers of goods/services, clearing and forwarding agents and all others associated with it. Your Company will continue to build and maintain strong links with its business partners.

### CORPORATE GOVERNANCE

Your Directors reaffirm their continued commitment to good corporate governance practices. During the year under review, your Company complied with the provisions of Clause 49 of the Listing Agreement with the stock exchange which relates to corporate governance. A separate section on corporate governance together with a certificate from Practising Company Secretary forms a part of this Annual Report.

### SUBSIDIARY COMPANIES

In terms of Section 212 of the Companies Act, 1956, ("the Act") the Accounts together with the Auditor's Report of your Company's subsidiaries Jaqueline Inc. forms a part of this Report.



In line with the provisions of the Accounting Standards prescribed by the Institute of Chartered Accountants of India and the provisions of the Listing Agreement with the stock exchanges, the duly audited Consolidated Financial Statement has been prepared after considering the financial statements of your Company's subsidiaries Jaquiline Inc.

#### **DEPOSITS**

Your Company has not invited or renewed deposits from the public / shareholders in accordance with Section 58A of the Act.

#### **ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE**

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo, required to be disclosed pursuant to section 217(1) (e) of the Act, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in Annexure A and forms part of this Report.

#### **PARTICULARS OF EMPLOYEES**

The Particulars as required under Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are set out in the Annexure "B" of this report.

#### **DIRECTOR'S RESPONSIBILITY STATEMENT**

The Audited Accounts for the year under review are in conformity with the requirements of the Act and the Accounting Standards. The financial statements reflect fairly the form and substances of transactions carried out during the year under review and reasonably present your Company's financial condition and results of operations.

Your Directors confirm that:

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- (ii) the accounting policies selected have been applied consistently and judgments and estimates are made that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2009 and of the profit of your Company for the year ended on that date;
- (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 your Company and for preventing and detecting frauds and other irregularities;
- (iv) the Annual Accounts of your Company have been prepared on a going concern basis.

#### **DIRECTORS**

In accordance with the Articles of Association of your Company Mr.D B Khade retire from office by rotation and being eligible, offer themselves for re-appointment.

#### **AUDITORS**

M/s. S V Ghatalia & Associates, Chartered Accountants, Mumbai statutory auditors of the Company retire and offer themselves for re-appointment as the statutory auditors of the company pursuant to section 224 of the Companies Act, 1956.

#### **COST AUDITORS**

Pursuant to the provisions of Section 233B of the Act, your Directors have reappointed M/s. C Sahoo & Co., Cost Accountants, Mumbai as the Cost Auditor to conduct the cost audit of your Company, subject to the approval of the Central Government.

#### **APPRECIATION**

Your Directors wish to place their sincere thanks to the Union Government and the Governments of Maharashtra and Himachal Pradesh, as also to all the Government agencies, banks, financial institutions, customers, shareholders, employees, vendors and other related organisations who, through their continued support and co-operation, have helped, as partners, in your Company's progress.

For and on behalf of the Board

Mumbai  
June 10,2009

**Sunil H Pophale**  
Chairman & Managing Director

## **ANNEXURE A**

**DISCLOSURES OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.**

**A. CONSERVATION OF ENERGY:**

- a) Energy Conservation Measures taken
  - Installation of Temperature Controller for optimum use of energy
  - Monitoring closely high energy consuming equipment
  - Maintenance of the machine as per schedule.
- b) Additional investments and proposals if any, being implemented for reduction of consumption of energy
  - Solar heater will provided for water heating
- c) Total energy consumption and energy consumption per unit of production as per FORM-A of this Annexure.

**B. TECHNOLOGY ABSORPTION:**

Efforts made in technology absorption as per FORM-B of this Annexure.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information on foreign exchange earnings and outgo is contained in Schedule 21

