



Fulford (India) Limited
ANNUAL REPORT 2010



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Fulford (India) Limited

Fulford (India) Limited, is the subsidiary of Merck & Co. Inc., Whitehouse Station, N.J., USA. Merck known as MSD across the world (except in the US and Canada), operates in India via three separate legal entities MSD Pharmaceuticals Private Limited, Organon (India) Limited and Fulford (India) Limited.

With the closing of the recent merger between Merck & Schering Plough globally, Merck is the world's second largest pharmaceutical company. Through our medicines, vaccines, biologic therapies, and consumer and animal products, we work with customers and operate in more than 140 countries to deliver innovative health solutions. We also demonstrate our commitment to increasing access to health care through far reaching programs that donate and deliver our products to the people who need them.

MSD's Vision

We make a difference in the lives of people globally through our innovative medicines, vaccines, and consumer health and animal products. We aspire to be the best healthcare company in the world and are dedicated to providing leading innovations and solutions for tomorrow.

Our Mission

To provide innovative, distinctive products and services that save and improve lives and satisfy customer needs; to be recognized as a great place to work, and to provide investors with a superior rate of return.

What We Stand For

- Excellence in science and healthcare innovation, with an emphasis on addressing unmet medical needs
- Focus on patients and anticipating customers' needs
- Commitment to expand access to our medicines and vaccines, and to improve global health

**MSD**

Fulford (India) Limited

CONTENTS

About MSD	2
Company Information	3
Financial Performance – Ten Years Highlights.....	4
Notice	5
Directors' Report	9
Corporate Governance Report	19
Auditors' Report	28
Financials – Standalone	
Balance Sheet.....	32
Profit & Loss Account	33
Cash Flow Statement	34
Schedules	36
Balance Sheet Abstract	54
Subsidiary Company	
Schering-Plough (India) Private Limited (SPIPL)	
Statement relating to Subsidiary Company	55
Directors' Report of SPIPL.....	56
Auditors' Report of SPIPL.....	59
Financials of SPIPL.....	61
Balance Sheet Abstract of SPIPL	66
Consolidated Auditors' Report.....	67
Financials – Consolidated	
Balance Sheet.....	68
Profit & Loss Account	69
Cash Flow Statement	70
Schedules	72

About Merck

Merck & Co., Inc., with headquarters in Whitehouse Station, N.J., U.S.A, is a global healthcare leader working towards providing innovative, distinctive products and services that save and improve lives, while satisfying customer needs and creating long term shareholder value. Post its merger with Schering-Plough in November 2009, Merck is now the second largest pharmaceutical Company in the world.

Merck offers a diversified portfolio of prescription medicines, vaccines and animal and consumer health products. This portfolio is complemented by a robust pipeline with more than 15 promising late-stage candidates spanning critical therapeutic categories. Merck now has approximately 106,000 employees and operates in more than 140 countries around the world. Merck anticipates sales from emerging markets to make up more than 25 percent of its global sales by 2013.

The Company takes advantage of the combined strengths of Merck and Schering-Plough to create a more customer-focused, innovative, and diversified global health care company positioned to capitalize on the company's greatest opportunities for growth, particularly in emerging markets, biologics and vaccines. Merck has five primary divisions: Global Human Health, Animal Health, Consumer Health Care, Merck Research Laboratories and Merck Manufacturing.

Key Therapeutic Areas

Merck has a broad portfolio of medicines – the Company's diverse portfolio of adult, adolescent and pediatric vaccines and medicines spans important therapeutic areas, including cardiovascular, diabetes, obesity, bone, respiratory, immunology, dermatology, infectious disease, oncology, neurosciences, ophthalmology, women's health and endocrinology. This is in addition to a powerful late stage global pipeline of 20 late-stage compounds.

Merck is known as MSD in all markets outside USA and Canada.

MSD India

MSD, operates in India via three separate legal entities MSD Pharmaceuticals Private Limited, Organon (India) Limited and Fulford (India) Limited., which are subsidiaries of Merck & Co. Inc. USA.

Since its existence in India, the Company has moved quickly in laying the foundation for a business that is differentiated by its focus on putting patients first and launching innovative products those are

relevant to India. MSD India currently operates in various therapeutic areas including Metabolics, Cardiovascular, Vaccines, Critical Care, Immunology, Virology, Oncology, Women's Health, Dermatology, Respiratory, Muskulotology and Primary Care.

Post operational integration between the legacy companies, the new MSD India offers a stronger and diversified product portfolio of over 75 brands in various therapeutic areas, of which 13 are already category leading products. The integration has brought together the best and brightest talent in the industry.

Commitment to India

MSD has a long term commitment to India both in terms of bringing best in class products and also making necessary investments to serve the Indian patients. MSD will continue in its endeavor to shape the healthcare paradigms in India via initiatives like responsible pricing, integrated Disease Management Programmes; amongst others.

In addition to setting up a sales and marketing structure to market its best in class products in India, MSD is also coordinating research projects with clinical investigators in India's leading hospitals and universities, for development on new drugs to address unmet medical needs for Indian patients.

As a testimonial to MSD's scientific excellence, the Indian Council of Medical Research (ICMR) has signed the first public private partnership with MSD.

Caring for the society we serve

MSD embraces a commitment to its stakeholders, employees, neighbors, and others in the global communities where it lives and works. Its commitment is demonstrated by its work in more than 140 countries worldwide, through its philanthropic initiatives and ethical business practices.

For over 100 years MSD has produced The Merck Manual, one of many initiatives to inform health related decision making that also include the Merck Institute of Aging & Health and the Merck Vaccine Network. MSD builds high environmental and safety standards into all of its processes and activities and promotes continuous improvement.

MSD Wellcome Trust Hilleman Laboratories - a joint venture between MSD and Hilleman Laboratories is a first of its kind research and development joint venture with a not-for-profit mission to focus on developing affordable vaccines to prevent diseases that commonly affect low income countries.

COMPANY INFORMATION

Board of Directors

Dr. Ajit Dangi, *Chairman*
 Mr. K.G. Ananthakrishnan, *President & Managing Director*
 Dr. V.S. Sohoni
 Mr. M.K. Sharma
 Mr. Homi Khusrorkhan
 Mr. Ramesh Subrahmanian
 Mr. Christopher McNamara
 Ms. Hwee Ping Chua
 Mr. Rajesh Marwaha as alternate to Mr. Christopher McNamara
 Mr. Sanjiv Navangul as alternate to Mr. Ramesh Subrahmanian
 Dr. Naveen Rao as alternate to Ms. Hwee Ping Chua

Company Secretary

Mr. Bhavik Desai

Country Leadership Team

Mr. Rajesh Marwaha, *Finance & Administration*
 Mr. Sameer Tamhane, *Human Resources*
 Mr. Sanjiv Navangul, *Sales & Marketing – Chronic Care, Specialty Care & Disease Management*
 Mr. Suresh Pattathil, *Sales & Marketing – Primary Care & Institutional Sales*
 Ms. Monica Chaudhari, *Sales & Marketing – Women's Health, Vaccines and Business Support*
 Mr. Niladri Biswas, *Country Procurement and Emerging Market*
 Ms. Annapurna Das, *Business Development & New Product Planning*
 Mr. A.S. Krishna, *External Affairs*
 Dr. Swashraya Shah, *Medical Affairs*

Registered Office

Platina, 8th Floor, Plot No. C-59, G-Block,
 Bandra-Kurla Complex, Bandra (East),
 Mumbai - 400098, India
 Tel: 022-67898888 • Fax: 022-67898889

C&F Agents

Ahmedabad, Ambala, Kolkata, Chennai, Delhi,
 Guwahati, Bangalore, Hyderabad, Indore, Jaipur,
 Lucknow, Patna, Cochin, Bhiwandi, Coimbatore,
 Zirakpur

Bankers

State Bank of India
 Canara Bank
 HDFC Bank Limited
 Citibank N.A.

Legal Advisors

Crawford Bayley & Co.
 AM Law

Auditors

Price Waterhouse

Registrar and Share Transfer Agents

Link Intime India Pvt. Ltd.
 C/13, Pannalal Silk Mills Compound, L.B.S. Marg,
 Bhandup (West),
 Mumbai - 400 078
 Tel: 022-25963838 • Fax: 022-25946969

Requests to Members

All correspondence regarding transfer and demat of shares may be addressed to our Registrar and Share Transfer Agents.

Members are requested to bring their copy of Annual Report to the Meeting.

Members requiring any information about the accounts are requested to write to the Company at least one week before the date of the meeting so that the information may be made available at the meeting.

Members can address their grievance to our Registrar and Transfer Agents at helpline@linkintime.co.in and to our compliance officer at bhavik.desai@merck.com



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Fulford (India) Limited

TEN YEARS HIGHLIGHTS

(₹ in Millions)

Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
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Profit & Loss Account

Gross Sales*	1,404.11	946.97	1,305.05	1,317.95	1,518.75	1,546.59	1,738.78	1,901.34	1,844.81	1,905.13
Other Income	13.90	53.56	5.36	22.17	13.37	25.53	72.74	76.99	68.13	78.83
Interest expenses	(25.97)	(21.06)	(15.68)	(3.97)	(0.65)	(0.48)	(0.15)	(0.01)	(0.09)	(2.94)
Profit before Taxation	14.63	(75.96)	59.19	187.36	243.98	197.53	338.81	315.90	223.14	173.93
Profit after Taxation**	13.38	(76.06)	61.47	117.58	150.40	127.46	218.15	197.27	134.64	120.56
Earnings per Share of ₹ 10	4.18	(23.77)	19.21	36.74	47.00	39.01	55.94	50.58	34.52	30.91
Dividend per share of ₹ 10	1.50	—	2.00	2.50	3.00	3.00	4.00	2.00	4.50	4.50

Balance Sheet

Fixed Assets	11.71	26.39	24.59	31.96	41.01	38.54	34.38	29.37	55.74	55.22
Investments	0.15	0.15	0.15	0.15	171.30	190.69	134.85	144.06	149.94	—
Net Deferred Tax	7.52	7.53	15.69	10.45	8.82	6.25	6.45	14.21	12.04	26.67
Net Current Assets	290.90	201.88	163.37	208.08	168.69	664.01	920.52	1,096.70	1,180.73	1,416.65
Misc Expenditure	10.59	—	—	—	—	—	—	—	—	—
	320.87	235.95	203.80	250.64	389.82	899.49	1,096.20	1,284.34	1,398.45	1,498.54
Share Capital	32.00	32.00	32.00	32.00	32.00	39.00	39.00	39.00	39.00	39.00
Reserve & Surplus	122.89	46.83	101.08	209.61	351.04	860.01	1,057.20	1,245.34	1,359.45	1,459.54
Loan Funds	165.98	157.12	70.72	9.03	6.78	0.48	—	—	—	—
	320.87	235.95	203.80	250.64	389.82	899.49	1,096.20	1,284.34	1,398.45	1,498.54

* Sales before Excise Duty Charged

** After prior year tax and other adjustment

NOTICE

NOTICE is hereby given that the Sixty-Third Annual General Meeting of FULFORD (INDIA) LIMITED will be held at Exchange Plaza, NSE Auditorium, Ground Floor, Bandra- Kurla Complex, Bandra (East), Mumbai - 400 051 on Friday, April 29, 2011 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at December 31, 2010 and the Profit & Loss Account for the year ended on that date together with the Directors' and the Auditors' Report thereon.
2. To declare Dividend for the year ended December 31, 2010.
3. To appoint a Director in place of Mr. K.G. Ananthakrishnan who retires and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Ajit Dangi who retires and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr. V.S. Sohoni who retires and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. M.K. Sharma who retires and being eligible, offers himself for re-appointment.
7. To appoint a Director in place of Mr. Homi Khusrookhan who retires and being eligible, offers himself for re-appointment.
8. To appoint a Director in place of Mr. Ramesh Subrahmanian who retires and being eligible, offers himself for re-appointment.
9. To appoint a Director in place of Ms. Hwee Ping Chua who retires and being eligible, offers herself for re-appointment.
10. To appoint a Director in place of Mr. Christopher McNamara who retires and being eligible, offers himself for re-appointment.
11. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

By Order of the Board of Directors

Bhavik Desai
Company Secretary

Mumbai, February 21, 2011

Registered Office:

Platina, 8th Floor,
Plot No. C-59, G-Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 098.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, ON A POLL ONLY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. However, Proxy Forms duly stamped, completed and signed, should be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from April 21, 2011 to April 29, 2011 both days inclusive.
3. Dividend, if approved by the members at the Annual General Meeting will be paid on or before May 17, 2011 to the members whose names appear as beneficial owners as at the close of business on April 20, 2011 and whose names appear on the Register of Members of the Company on

April 29, 2011 as per details to be furnished by the Depositories, viz. National Securities Depository Limited and Central Depository Services (India) Limited.

4. Members are requested to notify any change in their address immediately to the Company or to its Registrar and Share Transfer Agents.
5. In view of Clause 49 of the Listing agreement with Bombay Stock Exchange Limited, additional information pertaining to Directors proposed for appointment/re-appointment at the Annual General Meeting is annexed hereto.
6. Members holding shares in demat mode may please note that, the bank details as furnished by the respective Depositories to the Company will be mandatorily printed on their dividend warrants/demand drafts for the purpose of distribution of dividend through Electronic Clearing Service (ECS) as advised by the Securities and Exchange Board of India (SEBI). In the absence of ECS facility, the bank account details, if available, will be printed on the dividend warrants/demand drafts. Instructions if any, given by them in respect of shares held in physical mode will not be automatically applicable to the dividend paid on shares held in demat mode. Members holding shares in demat mode must, therefore, give instructions regarding bank accounts in which they wish to receive a dividend, to their Depository Participants. The Company or the Registrar and Share Transfer Agents will not act on any direct request from these Members for change/deletion in such bank details.
7. In terms of Sections 205A and 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund. Members shall not be able to claim any unpaid dividend from the said Fund or the Company thereafter. Members who have not encashed the dividend warrants/demand drafts for the years 2003, 2004, 2005, 2006, 2007, 2008 and 2009 are requested to contact the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited, Mumbai. Outstanding Dividend for the year 2003 shall be transferred to the Investor Education and Protection Fund in the year 2011.
8. Section 109A of the Companies Act, 1956 provides for Nomination by individuals, who are shareholders of the Company in the prescribed Form No. 2B. Members who hold shares in the physical form can nominate a person in respect of all the shares held by them by filling the prescribed form. Blank forms will be supplied by the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited on request. Members holding shares in the dematerialized form may contact their Depository Participant for recording nomination in respect of their shares.
9. Members are requested to note that as prescribed by SEBI, trading in securities of the Company is compulsorily in dematerialized form. The Company has already executed tripartite agreements with both the depositories viz. Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) and Link Intime India Private Limited, the Company's Registrar Share Transfer Agents. Accordingly, the equity shares of the Company can be held in an electronic form with any Depository Participant (DP) with whom the Members have their Depository Account. The ISIN No. allotted to the equity shares of the Company is INE521A01017. In view of the numerous advantages offered by the Depository System, members who are yet to dematerialize their shares are requested to avail of the facility of dematerialization.
10. Members are requested to note that in case of transfer of shares held in physical form, submission of photocopy of PAN card of the transferee(s) along with the transfer deeds and share certificate at the time of lodgement of transfer of share is now mandatory.

By Order of the Board of Directors

Bhavik Desai
Company Secretary

Mumbai, February 21, 2011

Registered Office:

Platina, 8th Floor,
Plot No. C-59, G-Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 098.

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Fulford (India) Limited

Details of the Directors seeking Appointment/Re-appointment at the 63rd Annual General Meeting of the Company:

Particulars	Mr. K.G. Ananthakrishnan	Dr. V.S. Sohoni	Dr. Ajit Dangi	Mr. M.K. Sharma
Designation	President & Managing Director	Non Executive Director	Chairman and Non-Executive Independent Director	Non Executive Independent Director
Date of Birth	10.02.1957	28.05.1942	05.03.1941	04.05.1947
Qualifications	B.Sc.; Masters Degree in Marketing Management	B.Tech. (Electronic Engineering); Ph.D (Information Systems)	B.Sc. (Bom.), M.Sc.; Ph.D (London) in Pharmaceutical Chemistry	B.A.; LL.B.; PGD in Personnel Mgmt and Diploma in Labour Laws
Present Employment	Managing Director of Fulford (India) Limited, Organon (India) Limited & MSD Pharmaceuticals Private Limited	Consultant	Proprietor of Danssen Consulting	Proprietor of M.K. Sharma & Associates
Last Employment	Sr. Director, Pharma Division, Pfizer Limited	Sr. Director Business Development – Asia Pacific Schering – Plough Limited	Director General of Organisation of Pharmaceuticals Producers of India (OPPI) President & Executive Director of Johnson & Johnson Ltd., India	Vice-Chairman of Hindustan Unilever Limited
Nature of expertise	Extensive Sales, Marketing & General Management experience across various pharmaceutical organisations	Rich experience in the Agro-Chemicals and pharmaceutical industries	Varied experience in Research, Manufacturing, Project Management Sales & Marketing and General Management in the Pharmaceutical & Healthcare Industry	Specialises in Corporate & Securities Laws, Mergers, Amalgamations and Disposals, Joint Ventures, Intellectual Property Law, Advtg Law, Anti Trust Law, Employment Law and Indirect Taxation
Directorship held in other Companies	<ul style="list-style-type: none"> • Organisation of Pharmaceuticals Producers of India • Organon (India) Limited • MSD Pharmaceuticals Private Limited 	<ul style="list-style-type: none"> • Advinus Therapeutics Limited • Rallis India Limited • Organon (India) Limited 	Nil	<ul style="list-style-type: none"> • ICICI Bank Limited* • ICICI Lombard Insurance Co. Limited • Schrader Duncan Limited • Thomas Cook (India) Limited • Birla Corporation Limited
Membership/ Chairmanship of committees of other public companies (includes only Audit Committee and Shareholders'/Investors' Grievance Committee) AC – Audit Committee STIGC-Share Transfer & Investors' Grievance Committee IGC- Investors' Grievance Committee	Member of STIGC of Organon (India) Limited	Member of AC: <ul style="list-style-type: none"> • Organon (India) Limited • Rallis India Limited • Advinus Therapeutics Limited Member of IGC: <ul style="list-style-type: none"> • Rallis India Limited 	Nil	Member of AC: <ul style="list-style-type: none"> • ICICI Bank Limited* • Thomas Cook (India) Limited Member of IGC: <ul style="list-style-type: none"> • ICICI Bank Limited* • Thomas Cook (India) Limited.
Number of Shares held in the Company	Nil	Nil	Nil	Nil

* Ceased to be a Director and member of Audit Committee and Investor Grievance Committee pursuant to the provisions of Banking Regulation Act from the close of business on 30.1.2011 on completion of 8 years from the date of his first appointment as a Director of the Bank.

Annual Report 2010

Details of the Directors seeking Appointment/Re-appointment at the 63rd Annual General Meeting of the Company:

Particulars	Mr. Homi Khusrokhhan	Mr. Ramesh Subrahmanian	Mr. Christopher McNamara	Ms. Hwee Ping Chua
Designation	Non Executive Independent Director	Non Executive Director	Non Executive Director	Non Executive Director
Date of Birth	15.12.1943	24.04.1961	24.07.1962	15.11.1972
Qualifications	B.Com.; CA; M.Sc. (Econ) London	B.Com.; Chartered Accountant, U.K.; Diploma in Finance & Accounting, U.K.	Bachelor of Business; CPA, Australia	Bachelor of Law (Hons); LL.M – Advanced Litigation; Master of Laws
Present Employment	Serving on the Board of several companies mentioned below.	Sr. Vice President and President Asia Pacific Human Health – Merck & Co., Inc.	Finance Controller, Asia Pacific, Merck & Co., Inc.	Managing Counsel, Asia Pacific & China, Merck & Co., Inc
Last Employment	Managing Director of Tata Chemicals Ltd.	Vice President Oncology Business Unit, Sanofi-Aventis, New Jersey	Accountant, CORP-AID Pty Limited	Regional Legal Consultant/Counsel, Asia Pacific, Bristol-Myers Squibb Co.
Nature of expertise	Actively involved in Pharmaceutical Industry Affairs, Champion of Intellectual Property Rights, Patent Laws.	Extensive Pharmaceutical Industry expert	Finance	Legal
Directorship held in other Companies	<ul style="list-style-type: none"> • Rallis India Limited • Khet-se Agri Produce (India) Pvt. Limited • Advinus Therapeutics Limited • Samson Maritime Limited • Tata AIG Life Insurance Co. Limited • ICICI Bank Limited • NovaLead Pharma Pvt. Limited 	<ul style="list-style-type: none"> • Organon (India) Limited • MSP Singapore Company, LLC • China MSD HIV/AIDS Public-Private Partnership, INC. • Schering-Plough Pty Limited 	Organon (India) Limited	<ul style="list-style-type: none"> • MSD (New Zealand) Limited • MSD (Asia) Limited • MSD (China) Limited • MSD Korea Limited • MSD (Thailand) Limited • Organon (India) Limited • Merck Sharp & Dohme Singapore Trading Pte Limited • Essex Asia Limited
Membership/Chairmanship of committees of other public companies (includes only Audit Committee and Shareholders'/Investors' Grievance Committee) AC – Audit Committee STIGC-Share Transfer & Investors' Grievance Committee IGC- Investors' Grievance Committee	Member of AC: <ul style="list-style-type: none"> • Rallis India Limited • Samson Maritime Limited • Tata AIG Life Insurance Co. Limited • Khet-se Agri Produce (India) Pvt. Limited • Advinus Therapeutics Limited • ICICI Bank Limited Member of IGC: <ul style="list-style-type: none"> • NovaLead Pharma Pvt. Limited 	N.A	Chairman of AC & STIGC of Organon (India) Limited	N.A
Number of Shares held in the Company	Nil	Nil	Nil	Nil