

Fulford (India) Limited

ANNUAL REPORT 2013 - 14



Committed to improving health and
well-being around the world.



From developing new therapies that treat and prevent disease to helping people in need, we're committed to improving health and well-being around the world.



Fulford (India) Limited

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

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 through launching innovative products relevant to India.

MSD in India currently operates in various therapeutic areas in human health, including Metabolics, Cardiovascular, Vaccines, Critical Care, Immunology, Virology, Oncology, Women's Health, Dermatology, Respiratory, Musculoskeletal and Primary Care, and offers a strong and diversified product portfolio of over 75 brands in total.

For more information visit, www.fulfordindia.com



MSD

Fulford (India) Limited

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FINANCIAL PERFORMANCE

TEN YEARS HIGHLIGHTS

(₹ in million)

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2014 [@]
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Profit & Loss Account

Gross Sales*	1,317.95	1,518.75	1,546.59	1,738.78	1,901.34	1,844.81	1,905.13	2,145.64	2,152.81	2,696.18
Other Income	22.17	13.37	25.53	72.74	76.90	68.13	78.83	93.73	99.98	127.55
Interest Expenses	(3.97)	(0.65)	(0.48)	(0.15)	(0.01)	(0.09)	(2.94)	(0.66)	(0.44)	(9.49)
Profit/(Loss) before Taxation	187.36	243.98	197.53	338.81	315.90	223.14	173.93	27.01	(72.49)	54.30
Profit/(Loss) after Taxation**	117.58	150.40	127.46	218.15	197.27	134.64	120.56	18.39	(49.92)	44.66
Earnings per Share of ₹ 10	36.74	47.00	39.01	55.94	50.58	34.52	30.91	4.71	(12.80)	11.45
Dividend per Share of ₹ 10	2.50	3.00	3.66	4.00	2.00	4.50	4.50	3.50	1.00	2.00

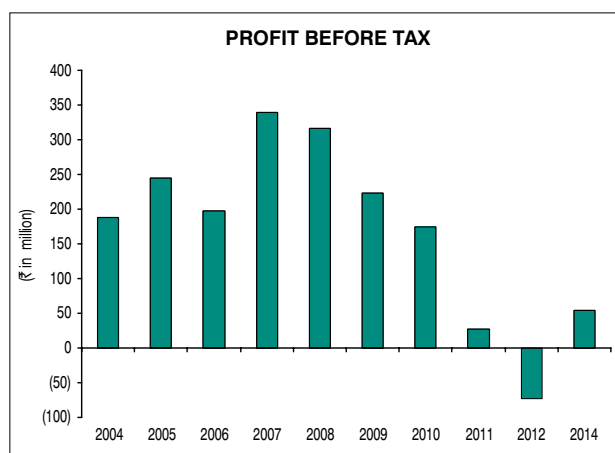
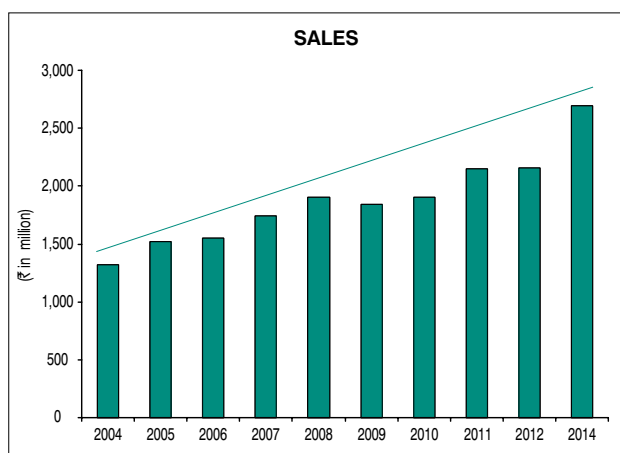
Balance Sheet

Fixed Assets	31.96	41.01	38.54	34.38	29.37	55.74	55.22	41.59	26.76	11.93
Investments	0.15	171.30	190.69	134.85	144.06	149.94	—	—	—	—
Net Deferred Tax	10.45	8.82	6.25	6.45	14.21	12.04	26.67	37.05	59.62	46.76
Non Current Assets & Liabilities (Net)	—	—	—	—	—	—	—	117.46	149.03	229.74
Net Current Assets	208.08	168.69	664.01	920.52	1,096.70	1,180.73	1,416.60	1,304.96	1,211.20	1,193.71
	250.64	389.82	899.49	1,096.20	1,284.34	1,398.45	1,498.49	1,501.06	1,446.61	1,482.14
Share Capital	32.00	32.00	39.00	39.00	39.00	39.00	39.00	39.00	39.00	39.00
Reserves & Surplus	209.61	351.04	860.01	1,057.20	1,245.34	1,359.45	1,459.49	1,462.06	1,407.61	1,443.14
Loan Funds	9.03	6.78	0.48	—	—	—	—	—	—	—
	250.64	389.82	899.49	1,096.20	1,284.34	1,398.45	1,498.49	1,501.06	1,446.61	1,482.14

* Sales before Excise Duty Charged

** After prior year tax and other adjustment

@ Fifteen months period



COMPANY INFORMATION

BOARD OF DIRECTORS

DR. AJIT DANGI, Chairman
MR. K.G. ANANTHAKRISHNAN, President & Managing Director
DR. V.S. SOHONI
MR. HOMI KHUSROKHAN
MR. KEVIN ALI
MR. SANDEEP SHARMA

COMPANY SECRETARY

MR. SACHIN GAIKWAD

COUNTRY LEADERSHIP TEAM

MR. GIRIDHAR SANJEEVI – Finance
MR. SAMEER TAMHANE – Human Resources
MR. SHASHANK SHANBHAG – Sales & Marketing – Women's Health & Vaccines
MS. ANNAPURNA DAS – Sales & Marketing – Pakistan, Sri Lanka & Bangladesh
MR. GAURAV LAROIA – Sales & Marketing – Specialty
MR. VIVEK KAMATH – Sales & Marketing – CV & Metabolics
MR. ASHIS MUKHERJEE – Public Health Initiatives and Diversified Market
MS. NEELIMA DWIVEDI – Corporate Affairs
DR. SWASHRAYA SHAH – Medical Affairs
MR. ANJAN SEN – Strategy & Commercial Operations

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

CIN : L99999MH1948PLC006199

CARRYING & FORWARDING AGENTS

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

DISTRIBUTORS

Cuttack, Ranchi, Goa, Nagpur, Mumbai, Uttaranchal, Jammu & Kashmir

BANKERS

CITI BANK N A
STATE BANK OF INDIA
CANARA BANK
HDFC BANK LIMITED
KOTAK MAHINDRA BANK

LEGAL ADVISORS

Corporate Law Group (CLG)

AUDITORS

LOVELOCK & LEWES

REGISTRARS 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 : 022-25946970-78
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 Share Transfer Agents at rnt.helpdesk@linkintime.co.in and to our Compliance Officer at sachin.gaikwad@merck.com

NOTICE

NOTICE is hereby given that the Sixty-Sixth 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 Thursday, August 7, 2014 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at March 31, 2014 and the Profit & Loss Account for the fifteen months period ended on that date together with the Directors' and the Auditors' Reports thereon.
2. To declare Dividend for the fifteen months period ended March 31, 2014.
3. To appoint a Director in place of Mr. K.G. Ananthkrishnan (holding DIN 00019325), who retires and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Kevin Ali (holding DIN 03591543), who retires and being eligible, offers himself for re-appointment.
5. To appoint M/s. Lovelock Lewes, Chartered Accountants (Firm Registration No. 3011056E) as Statutory Auditors of the Company, 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.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification, as an ordinary resolution, the following:
"RESOLVED THAT Mr. Sandeep Sharma (holding DIN 06606251), who was appointed as an Additional Director of the Company with effect from August 2, 2013 in terms of Section 260 of the Companies Act, 1956 (corresponding to Section 161(1) of the Companies Act, 2013) and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire at each Annual General Meeting."
7. To consider and, if thought fit, to pass with or without modification, as an ordinary resolution, the following:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule IV to the Companies Act, 2013, Dr. Ajit Dangi (holding DIN 02270088), Director of the Company who retires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term upto March 31, 2019."
8. To consider and, if thought fit, to pass with or without modification, as an ordinary resolution, the following:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule IV to the Companies Act, 2013, Dr. V. S. Sohoni (holding DIN 00012010), Director of the Company who retires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term upto March 31, 2019."

9. To consider and, if thought fit, to pass with or without modification, as an ordinary resolution, the following:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule IV to the Companies Act, 2013, Mr. Homi Khusrookhan (holding DIN 00005085), Director of the Company who retires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term upto March 31, 2019.”

10. To consider and, if thought fit, to pass with or without modification, as a special resolution, the following:

“RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions of the Companies Act, 2013 and Article 117 of the Company’s Articles of Association, the Company do hereby approve of and consent to the payment and distribution thereof of a sum not exceeding one percent of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013 as remuneration by way of commission over and above the sitting fees, amongst the Directors of the Company (other than Managing Director and Whole-time Director) in such amounts or proportions and in such manner as may be decided by the Board of Directors from time to time and such payments shall be made in respect of the profit for each of the five (5) financial years commencing from the year ending March 31, 2015.”

11. To consider and, if thought fit, to pass with or without modification, as an ordinary resolution, the following:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) the Board of Directors of the Company has appointed the Cost Auditors, to conduct the audit of the cost records of the Company at the remuneration of ₹ 80,000/- (Rupees eighty thousand only) plus out of pocket expenses for the financial year ending March 31, 2015.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board of Directors

Sachin Gaikwad
 Company Secretary

Mumbai, May 16, 2014

Registered Office:

8th Floor, Platina, Plot No. C-59,
 G-Block, Bandra-Kurla Complex,
 Bandra (East), Mumbai: 400 098.
 CIN: L99999MH1948PLC006199
 www.fulfordindia.com

NOTES:

- 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.
- The Register of Members and Share Transfer Books of the Company will remain closed from July 31, 2014 to August 7, 2014, both days inclusive.

3. Dividend, if approved by the Members at the Annual General Meeting will be paid on or before August 30, 2014 to the Members whose names appear as beneficial owners as at the close of business on July 30, 2014 and whose names appear on the Register of Members of the Company on August 7, 2014 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 Link Intime India Private Limited, Mumbai the Company's 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 & 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 124 and 125 of the Companies Act, 2013, 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 2006, 2007, 2008, 2009, 2010, 2011 and 2012 are requested to contact the Company's Registrar and Share Transfer Agents. Outstanding Dividend for the year 2006 shall be transferred to the Investor Education and Protection Fund in the year 2014.
8. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed Form SH 13 duly filled in to the Company's Registrar and Share Transfer Agents. The prescribed form in this regard may also be obtained from the Company's Registrar and Share Transfer Agents. Members holding shares in electronic form are requested to contact their Depository Participant directly for recording their nomination.
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 and 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. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" allowing paperless compliances through electronic mode. Companies are now permitted to send various notices/documents to its Members through electronic mode to their registered email addresses. This move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. We propose to send all documents to Members like General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report etc. in electronic form, to the email address provided by them

and made available to us by the Depositories. The physical copies of the Annual Report will also be available at our Registered Office in Mumbai for inspection during office hours and the same is also displayed on the website of the Company www.fulfordindia.com.

11. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rule 2014, the Company is pleased to provide members facility to exercise their votes at the 66th AGM by electronic means and the business may be transacted through e-voting as per instructions given below:
 - (a) Date and time of commencement of voting through electronic means: Monday, July 28, 2014 from 9.00 hrs.
 - (b) Date and time of end of voting through electronic means beyond which voting will not be allowed: Wednesday, July 30, 2014 at 17.00 hrs.
 - (c) Details of Website: www.evotingindia.com
 - (d) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Question (FAQ) and e-voting manual available at www.evoting.co.in under help section or write an email to helpdesk.evoting@cdslindia.com
 - (e) Instructions for e-voting are given on page nos. 10 & 11 of this notice.
 - (f) Details of Scrutinizer: Alwyn D'souza, Practising Company Secretary of M/s. Alwyn D'souza & Co., Company Secretaries, Mumbai.

The e-voting module shall be disabled for voting on Wednesday, July 30, 2014 at 17.00 hrs. Once the vote on a resolution is casted by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting right of shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date (record date) as on Friday, July 04, 2014.

Mr. Alwyn D'souza, Practising Company Secretary of M/s. Alwyn D'souza & Co., Company Secretaries, Mumbai has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of e-voting period unblock the votes in presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes casted in favor or against, if any, forthwith to the Chairman of the Company. The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be available on the Company's website within two (2) days of passing of the resolution at the AGM of the Company and communicated to the stock exchange.

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013:

Item No.: 6 – Appointment of Mr. Sandeep Sharma as a Non-Executive Director

Mr. Sandeep Sharma was appointed as an Additional Director on the Board of the Company with effect from August 2, 2013, and accordingly holds office up to the date of this Annual General Meeting of the Company. The Company has received a notice in writing from a Member proposing the candidature of Mr. Sandeep Sharma for the office of Director of the Company under Section 161(1) of the Companies Act, 2013.

The Board recommends the appointment of Mr. Sandeep Sharma.

Except Mr. Sandeep Sharma, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Item No.: 7 – Appointment of Dr. Ajit Dangi as an Independent Director

Dr. Ajit Dangi is a Non-Executive Independent Director of the Company and retires at this Annual General Meeting under the provisions of the erstwhile Companies Act, 1956 and the Articles of Association of the Company. Dr. Dangi being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five (5) consecutive years for a term upto March 31, 2019. A notice has been received from a member proposing Dr. Dangi as a candidate for the office of Director of the Company.

In the opinion of the Board, Dr. Dangi fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Dr. Dangi as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. Dangi as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Dr. Dangi as an Independent Director, for the approval by the Members of the Company.

Except Dr. Dangi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Item No. 8 – Appointment of Dr. V. S. Sohoni as an Independent Director

Dr. V. S. Sohoni is a Non-Executive Independent Director of the Company and retires at this Annual General Meeting under the provisions of the erstwhile Companies Act, 1956 and the Articles of Association of the Company. Dr. Sohoni being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five (5) consecutive years for a term upto March 31, 2019. A notice has been received from a member proposing Dr. Sohoni as a candidate for the office of Director of the Company.

In the opinion of the Board, Dr. Sohoni fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Dr. Sohoni as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. Sohoni as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Dr. Sohoni as an Independent Director, for the approval by the Members of the Company.

Except Dr. Sohoni, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Item No. 9 – Appointment of Mr. Homi Khusrokhhan as an Independent Director

Mr. Homi Khusrokhhan is a Non-Executive Independent Director of the Company and retires at this Annual General Meeting under the provisions of the erstwhile Companies Act, 1956 and the Articles of Association of the Company. Mr. Khusrokhhan being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five (5) consecutive years for a term upto March 31, 2019. A notice has been received from a member proposing Mr. Khusrokhhan as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Khusrokhhan fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Khusrokhhan as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.