

Fulford (India) Limited

ANNUAL REPORT

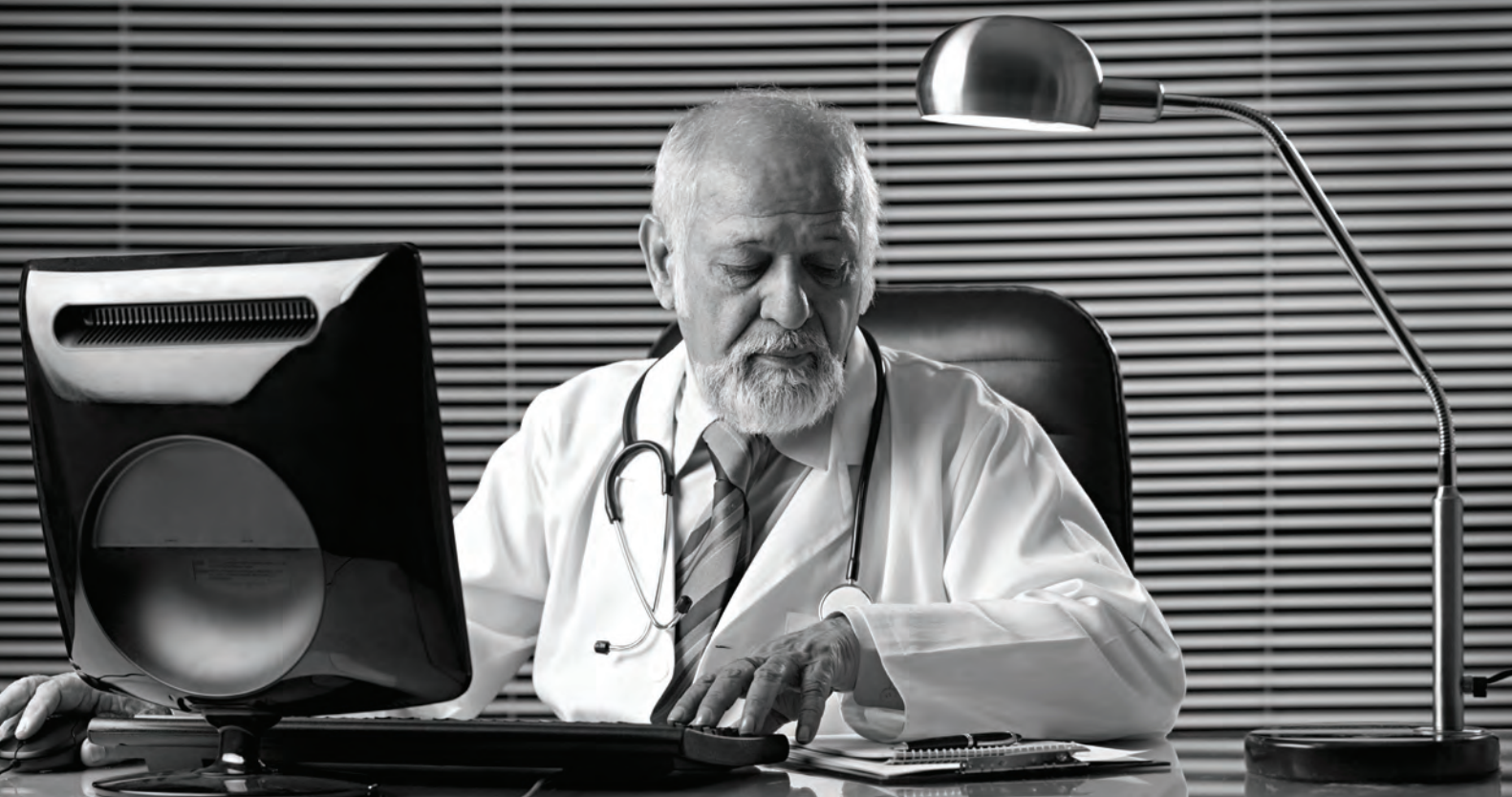
2015 - 16

Committed
to improving
health and
well being
around the
world.



www.fulfordindia.com





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, is the subsidiary of Merck & Co. Inc., Kenilworth, N.J., USA. Merck is known as MSD across the world (except in the US and Canada), operates in India via three separate entities Fulford (India) Limited, MSD Pharmaceuticals Private Limited and Organon (India) Private 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 and Primary Care, and offers a strong and diversified product portfolio of over 65 brands in total.

For more information visit, www.fulfordindia.com

COMPANY INFORMATION

BOARD OF DIRECTORS

DR. AJIT DANGI, Chairman
MR. K.G. ANANTHAKRISHNAN, President & Managing Director
DR. V.S. SOHONI
MR. HOMI KHUSROKHAN
MR. SANDEEP SHARMA (Resigned w.e.f. September 3, 2015)
MR. GIRIDHAR SANJEEVI
MS. HWEE PING CHUA

COMPANY SECRETARY

MR. SACHIN GAIKWAD (Resigned w.e.f. October 14, 2015)

COUNTRY LEADERSHIP TEAM

MR. GIRIDHAR SANJEEVI – Finance
MR. SAMEER TAMHANE – Human Resources
MS. JYOTSNA GHOSHAL – Corporate Affairs
DR. SWASHRAYA SHAH – Medical Affairs
MR. SHASHANK SHANBHAG – Sales & Marketing – Hospital, Specialty & Fertility Business
MR. VIVEK KAMATH – Sales & Marketing – CVM, PHI & Market Access
MS. ANNAPURNA DAS – Vaccines & Neighbouring Markets
MR. ANJAN SEN – DVB, 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,
Vijaywada

BANKERS

CITIBANK N A
STATE BANK OF INDIA
CANARA BANK
HDFC BANK LIMITED
KOTAK MAHINDRA BANK
ING VYSYA
BANK OF AMERICA
B N P PARIBAS
DEUTSCHE BANK

LEGAL ADVISORS

CORPORATE LAW GROUP (CLG)

AUDITORS

LOVELOCK & LEWES

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: 022-25946970-78
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 us at micompliance@merck.com

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NOTICE

NOTICE is hereby given that the Sixty-Eighth Annual General Meeting of the Members of FULFORD (INDIA) LIMITED will be held at Exchange Plaza, NSE Auditorium, Ground Floor, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 on Tuesday, August 2, 2016 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2016, the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. K. G. Ananthakrishnan (holding DIN 00019325), who retires and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Giridhar Sanjeevi (holding DIN 06648008), who retires and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Ms. Hwee Ping Chua (holding DIN 02930545), who retires and being eligible, offers herself for re-appointment.
5. Ratification of Appointment of Auditors

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for time being in force), the Company hereby ratifies the appointment of M/s. Lovelock & Lewes, Chartered Accountants (Firm Registration No. 301056E), as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Sixty-Ninth AGM of the Company to be held in the year 2017 to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

6. **Approval of remuneration of the Cost Auditor for the financial year ended March 31, 2017**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of INR 80,000/- (Rupees Eighty Thousand Only) plus applicable service tax and reimbursement of out of pocket expenses for the Financial Year ending March 31, 2017, as approved by the Board of Directors of the Company payable to Mr. Vishesh Naresh Patani, Cost Accountant (Firm Registration No. 101108) for conducting the Cost Audit of the records maintained by the Company, be and is hereby ratified.

RESOLVED FURTHER THAT any Director or Company Secretary 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

K. G. Ananthakrishnan
 President & Managing Director
 DIN 00019325

Mumbai, May 30, 2016

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:

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. In terms of Section 105 of the Companies Act, 2013 read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.
3. Corporate Members intending to send their authorized representative(s) to attend the Annual General Meeting are requested to forward a certified copy of Board Resolution authorizing their representative to attend and vote at the Annual General Meeting either to the Company in advance or submit the same at the venue of the Annual General Meeting.
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 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 Company thereafter. Members who have not encashed the dividend warrants/demand drafts for the years 2009, 2010, 2011, 2012, 2013-14 and 2014-15 are requested to contact the Company's Registrar and Share Transfer Agents. Outstanding Dividend for the year 2008 was transferred to the Investor Education and Protection Fund in June 2016.
6. 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.
7. 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.
8. 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.
9. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide

members facility to exercise their votes at the 68th 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: July 30, 2016 from 9.00 a.m.
- (b) Date and time of end of voting through electronic means beyond which voting will not be allowed: August 1, 2016 at 5.00 p.m.
- (c) Details of Website: www.evotingindia.com
- (d) The e-voting module shall be disabled for voting on August 1, 2016 at 5.00 p.m. 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 July 26, 2016.
- (e) 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 voting and remote e-voting process in a fair and transparent manner.
- (f) The facility for voting, either through electronic voting system or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
- (g) The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

10. The instructions for e-voting are as under:

- (i) The voting period begins on July 30, 2016 at 9.00 a.m. and ends on August 1, 2016 at 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of July 26, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

	For Members holding shares in Demat Form and Physical Form
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password, Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

ANNEXURE TO NOTICE

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

Item No.: 6 – Approval of remuneration of the Cost Auditor for the financial year ended March 31, 2017

The Board of Directors on the recommendation of the Audit Committee has approved the appointment and remuneration of Mr. Vishesh Naresh Patani, the Cost Auditor, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017 at a remuneration of INR 80,000/- (Rupees Eighty Thousand only) plus out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing this resolution as an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2017.

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.

By Order of the Board of Directors

K G Ananthakrishnan
President & Managing Director
DIN 00019325

Mumbai, May 30, 2016

Registered Office:

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

DIRECTORS' REPORT

The Directors hereby present the Sixty-Eighth Annual Report together with the Audited Accounts of the Company for the financial year ended March 31, 2016.

FINANCIAL SUMMARY

(₹ in Million)

	Unconsolidated		Consolidated	
	April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015	April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015
Sales (Net)	1577	2341	1577	2341
Other Income	62	142	62	142
Total Income	1639	2483	1639	2483
(Loss)/Profit before tax	(211)	48	(211)	48
Less: Tax Expense (Current Tax, Deferred Tax & Fringe Benefit Tax)-net	(70)	13	(70)	13
Less/(Add): Tax adjustment for previous years	—	12	—	12
(Loss)/Profit after Tax	(141)	23	(142)	23
Balance in Profit & Loss Account	380	364	380	364
Amount available for appropriation	239	387	238	387
Out of which the following sums have been appropriated:				
Proposed Dividend	—	6	—	6
Corporate Tax on Dividend	—	1	—	1
General Reserve	—	—	—	—
Balance carried to Balance Sheet	239	380	238	380

DIVIDEND

The Board of Directors of your Company has not recommended any dividend for the year ended March 31, 2016 considering the absence of profits for the year under review.

TRANSFER TO RESERVES

No amount was transferred to the General Reserve during the year.

TOTAL INCOME

Your Company's total income during the year reduced to ₹ 1639 million from ₹ 2483 million in the previous twelve month period, at a negative growth rate of 34%.

PROFIT/LOSS

The Operating loss before depreciation amounted to ₹ 209 million (12.77% of revenue) as against Profit of ₹ 53.9 million (2.17% of revenue) in the previous Financial Year. The net loss after tax was ₹ 141 million (8.63% of revenue) as against Profit of ₹ 23.1 million (1.00% of revenue) in the previous Financial Year.

LIQUIDITY

Your Company continues to be debt-free and maintain sufficient cash to meet its objectives. As on March 31, 2016, your Company had cash and bank balance of ₹ 746 million as against ₹ 657 million in the previous Financial Year.