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Fulford India Limited—BUY—775—INR

Sector—Pharmaceuticals
Regd.off—Eureka Towers 8th Floor, Mumbai, Maharashtra- 400064
Listed— BSE.

Company overview—

Fulford India is an associate of “Schering-Plough Corporation” (USA) a leading research-based company. Fulford (India) Limited was incorporated in the year 1948. It was then registered under the name C. E. Fulford (India) Private Limited and was 100% owned by C. E. Fulford Limited (UK). Until 1968, the company was engaged in the business of manufacturing and marketing pharmaceutical consumer products, including cough tablets and herbal ointments, marketed under the trademarks – PEPS and ZAMBUK respectively. On July 1, 1968, Schering-Plough Corporation, USA, an international research-based pharmaceutical company acquired 100% ownership of C. E. Fulford Limited, UK. Subsequently, a manufacturing plant was set up at Andheri for the manufacture of pharmaceutical products. The company’s operations commenced with the introduction of an antibiotic injection under the brand name GARAMYCIN and an anti-fungal skin solution under the brand name TINADERM. In August 1981, the company changed its status from a private company to a public company and from January 1, 1982 diluted the foreign shareholding from 100% to 40%, to fall in line with the prevailing Government policy. Company had a track record of consistent growth performance during the period 1982 - 1998. After some dull years, Company witnessed a major turnaround during 2003 and since then it is determined to build strong organization and healthy business. In 2008, Fulford India raised Rs 402.50 million by issuing 7, 00,000 equity shares of Rs 10 each at a premium of Rs 565 a share, to its promoters. The funds were raised to provide capital in order to permit the company to strengthen its position in the market and act on strategic business growth opportunities. However, the aforesaid amount has not been utilized for the stated purposes yet, and was invested in Citibank.

Products & Services—

Company engaged primarily in the discovery, development, manufacturing and marketing of pharmaceutical and health care products worldwide. Company markets innovative and science based products in different segments like- Sys-Anti infectives, Dermatologicals, Suncare, PI. Antihistamines, Oral Steroids, Cardiovascular and oncology/biotech. Most of these products are original research products of Schering-Plough Corporation U.S.A. Company enjoy reputation of marketing high quality products backed by scientific services in medical fraternity.

Its product range includes Caelyx, Celestone Tablets, Clingard, Dipform, Dipgenta, Diplene, Dipsalic, Elocon, Emolene, Ensamycin, Ethyol, Garamycin, integrilin, intron MDP, Lotriderm, Netromycin, Polaramine, Quadriderm NF, Remicade, Shade, Temodal, Tinaderm, Topnitro, Viraferon Peg, Viraferon Peg Redipen etc.

Its quality standards many times far exceed the permissible regulatory standards applicable to domestic market. Company have a competent technical team to monitor quality at every stage including selection of vendors, selection of materials of right specifications, rigorous testing methods, regular training of both the technical team as well as selected vendors / service

providers and so on. In sourcing the materials and manufacturing related services, the single most important condition is quality standards and consistency rather than cost.

Financials—

Quarterly results for jun-sep 2009

Description	Amount (Million rs.)
Net Sales/Interest Earned/Operating Income	571.40
Other Income	13.50
Total Income	584.90
Expenditure	-526.60
Profit Before Depreciation and Tax	58.30
Depreciation	-2.20
Profit before Tax	56.10
Tax	-16.50
Net Profit	39.60
Equity Capital	39.00
Basic And Diluted EPS after Extraordinary item	10.16
Nos. of Shares - Public	1,796,913.00
Percent of Shares-Public	46.07
Operating Profit Margin	10.20
Net Profit Margin	6.93
Cash EPS	10.72

Valuation—

Company is working towards the innovative product launches, quality and cost cutting strategy. At CMP, Stock is trading at 14.94 P/E multiple of its FY2010 Estimated EPS. We recommend investors to buy "Fulford India Ltd" with medium to long-term investment prospective.

We invite Readers to send Valuable feedback, stock and subscription queries at E-mail investment_guru1@yahoo.com

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