Fulford (India) Limited
A subsidiary of Merck & Co. Inc.
Whitehouse Station, NJ, USA.
Regd. Office :
8th Floor, Platina Bldg, Next to Citi Bank,
C-59, Block-G, Bandra Kurla Complex,
Bandra (E), Mumbai 400 098.
T + 91-22-6789 8888
F + 91-22-6789 8889

MSD

FULFORD OPEN OFFER – RECOMMENDATION OF THE COMMITTEE OF THE INDEPENDENT DIRECTORS

Provided herein below are the recommendations of the Committee of Independent Directors ("**IDC**") pursuant to Regulations 26(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (the "**Takeover Code**") on the voluntary open offer made by Dashtag (hereinafter referred to as the "**Acquirer**") and Merck & Co., Inc. (hereinafter referred to as the "**PAC**") to the shareholders of Fulford (India) Limited ("**TC**") under Regulation 6 of the Takeover Code.

For the purposes of this recommendation,

1. Shares means fully paid-up equity shares of TC having a face value of Rs.10 each.

2. Voting Share Capital means the total fully diluted voting equity share capital of TC.

1.	**Date**	September 11, 2012
2.	**Name of the Target Company (TC)**	Fulford (India) Limited
3.	**Details of the Offer pertaining to TC**	The voluntary open offer is being made by the Acquirer and the PAC for acquiring 821,913 Shares representing 21.07% of the Voting Share Capital from the public shareholders of TC at a price of Rs.1,000/- per share (the "**Offer Price**") in accordance with Regulation 6 of the Takeover Code. The Offer Price was revised by the Acquirer and the PAC from Rs. 830/- per share to Rs. 1,000/- per share on September 10, 2012.
4.	**Name(s) of the acquirer and PAC with the acquirer**	Acquirer : Dashtag PAC : Merck & Co., Inc.
5.	**Name of the Manager to the offer**	Morgan Stanley India Company Private Limited, having its office at 18F/19F, Tower 2, One Indiabulls Centre, 841, Senapati Bapat Marg, Mumbai 400 013, India.
6.	**Members of the Committee of Independent Directors *(Please indicate the chairperson of the Committee separately)***	Mr. M. K. Sharma – (Chairman of IDC); Mr. Homi Khusrokhan; and Dr. Ajit Dangi
7.	**IDC Member's relationship with the TC (Director, Equity shares owned, any other contract / relationship), if any**	All the members of the IDC are duly appointed independent directors of TC. None of the members of IDC: (i) hold any Shares of TC; (ii) have any relations with TC's other Directors; and (iii) have any contracts/ relationship with TC.

8.	**Trading in the Equity shares/other securities of the TC by IDC Members**	None of the members of IDC currently hold any Shares and other securities of TC. Also, none of the members of IDC have done any trading in the Shares and other securities of TC in the last twenty months i.e. since 1st January, 2011.
9.	**IDC Member's relationship with the acquirer (Director, Equity shares owned, any other contract / relationship), if any.**	None of the members of IDC: (i) are directors of Acquirer or PAC; (ii) hold any shares or other securities of Acquirer or PAC; and (iii) have any contracts/ relationship with Acquirer, PAC or their respective directors.
10.	**Trading in the Equity shares/other securities of the acquirer by IDC Members**	None of the members of IDC have ever traded in the shares/other securities of Acquirer or PAC.
11.	**Recommendation on the Open offer, as to whether the offer is fair and reasonable**	In light of the public announcement dated July 25, 2012 ("**PA**"), detailed public statement dated July 31, 2012 ("**DPS**"), the letter of offer dated August 31, 2012 ("**LOF**") and the Corrigendum to the DPS dated September 10, 2012 issued by the Acquirer through its manager, IDC believes that the voluntary offer made by the Acquirer is fair and reasonable. Please note that the voluntary offer is subject to the commercial and legal risks highlighted in the LOF, *inter alia*, including the procurement of the requisite statutory approvals for consummating the offer.
12.	**Summary of reasons for recommendation** IDC has evaluated the PA, DPS, LOF and the Corrigendum to the DPS released by Morgan Stanley who are managers to the offer for and on behalf of Acquirer and PAC. IDC has taken into consideration the following for making this recommendation: (i) The Offer Price represents a premium of 32.8% to the floor price of Rs.752.93 per Share calculated in accordance with Regulation 8(2) of the Takeover Code. (ii) The Offer Price represents a premium of 42.8% to the closing price of the Shares on July 24, 2012, which was 1 (one) day prior to the date of PA. (iii) The Offer Price also represents a premium of 107.8% over the closing price of the Shares as of December 30, 2011, being the last trading day of the previous calendar year. (iv) The LOF mentions that the Acquirer and the PAC have made funding arrangements for completing the open offer as prescribed under the Takeover Code. (v) TC's profitability has been adversely impacted due to various factors which have been highlighted in the Annual Report of TC for the year 2011. (vi) The book value of Shares as on December 31, 2011 was Rs.385/- per Share and the book value of Shares as on June 30, 2012 was Rs.369.20.	

	(vii) The current economic and political scenario in India, *inter alia,* including the significant Indian Rupee devaluation, policy uncertainties and the current not so positive outlook of the Indian capital markets. (viii) Based on the above, IDC is of the opinion that the Offer Price is in compliance with the requirements under the Takeover Code and is fair and reasonable.	
13.	**Details of Independent Advisors, if any.**	Nil
14.	**Any other matter(s) to be highlighted**	Nil

"To the best of our knowledge and belief, after making proper enquiry, the information contained in this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by TC under the Takeover Code."

For **FULFORD (INDIA) LIMITED**

Sd/
M. K. SHARMA
CHAIRMAN - COMMITTEE OF INDEPENDENT DIRECTORS

Place : Mumbai

Date : September 11, 2012