

**AVENTIS PHARMA LIMITED**

Minutes of the proceedings of the Fifty-sixth Annual General Meeting of the Members of Aventis Pharma Limited held on Thursday, 3<sup>rd</sup> May 2012 at 3.15 p.m. at Y. B. Chavan Centre - Auditorium, Gen. J. Bhosale Marg, Near Sachivalaya Gymkhana, Nariman Point, Mumbai 400 021

Present : Dr. Vijay Mallya (In the Chair)  
Dr. S. Ayyangar (Managing Director)  
Mr. J. M. Gandhi (Director)  
Mr. M. Dargentolle (Wholetime Director)  
Mr. S. R. Gupte (Director)  
Mr. A. K. R. Nedungadi (Director)  
Mr. M. G. Rao (Wholetime Director)  
Mr. K. Subramani (Company Secretary)

Hoechst GmbH by their Representative, Dr. S. Ayyangar

Sanofi by their Representative, Dr. S. Ayyangar

87 other Members in person including Mr. H. K. Kesharuwala, Ms. H. Pouredehi, Mr. M. I. Parekh, Mr. Seshan Krishnamoorthy, Mr. Yusuf Rangwala, Mr. H. V. Sanghavi, Mr. S. A. Khanolkar, Mr. Joseph Martins, Mr. Michael Martins, Ms. Shobhana Mehta and Mr. Hariram Chaudhary

28 Members present through Proxies whose names appear in the Register of Proxies

1. Chairman

Under the authority of No. 93(3) of the Articles of Association of the Company, Dr. Vijay Mallya took the Chair.

2. Notice convening the Meeting

The Notice convening the Meeting was, with the consent of those present, taken as read.

3. Auditors' Report

At the direction of the Chairman, the Company Secretary, Mr. K. Subramani read out to the Meeting, the Report of the Auditors of the Company, M/s. S. R. Batliboi & Co. dated 23<sup>rd</sup> February 2012.

**CERTIFIED TRUE COPY.**

AVENTIS PHARMA LIMITED



K. SUBRAMANI  
COMPANY SECRETARY

4. Chairman's Statement

The Chairman's statement reviewing the Results for the financial year ended 31<sup>st</sup> December 2011 and setting out the prospects for the current year had been distributed to the Members present at the Meeting. He read out important excerpts of the statement relevant to the proceedings of the Meeting.

5. Accounts

The following Resolution was moved from the Chair :-

"RESOLVED THAT the Accounts for the year ended 31<sup>st</sup> December 2011 being the Balance Sheet as at 31<sup>st</sup> December 2011 and the Profit and Loss Account for the year ended on that date with the Auditors' Report and the Report of the Directors be and the same are hereby approved and adopted."

Before putting the Resolution to vote, the Chairman invited comments from Shareholders. Mr. H. K. Kesharuwala, Ms. H. Pouredehi, Mr. M. I. Parekh, Mr. Seshan Krishnamoorthy, Mr. H. V. Sanghavi, Mr. S. A. Khanolkar, Mr. Joseph Martins, Mr. Michael Martins, Ms. Shobhana Mehta and Mr. Hariram Chaudhary spoke. Their comments were as follows :

Mr. H. K. Kesharuwala

He congratulated the employees, Directors and the Management team for the excellent work done in the troubled area of diabetes. He thanked the Company for the well prepared and informative Annual Report.

Ms. H. Pouredehi

She said that she had sent a list of questions to the Company and had received the replies. She wanted to know why the name of the Company was being changed. She wanted to know the number of tablets for which manufacturing was outsourced.

She said that she wanted to attend one of the diabetes awareness programmes conducted by the Company so that she could get counselling on diabetes as she had many family members who were diabetic.

She said that the Annual Report was very well prepared, had all the answers and all the activities were mentioned in it.

She said that the Company was doing well under the leadership of Dr. Ayyangar. She welcomed the foreign Directors.

She said that she was supporting the Company and wished the Company all the best and better days ahead.

Mr. M. I. Parekh

He congratulated the management and the staff for the excellent results. He said that the Balance Sheet presentation was very good.

He wanted to know the expected turnover from the business acquired from Universal Medicare.

He said that the Company had excess cash and wanted to know whether the Company would buy another company here or abroad.

He sought to know whether the Company was planning to do research and development as a number of foreign companies were coming to India to get research done as they did not have patents.

He suggested that the Company's EVA be shown in the Annual Report.

He said that the Company was in existence for 56 years but had a market share of only 2% which was very poor.

He wanted to know the number of sales representatives and the output per representative. He sought to know the attrition rate.

He wanted to know the Company's return drug policy and the extent of such returns.

He suggested that a factory visit be arranged.

Mr. Seshan Krishnamoorthy

He congratulated the Management and the employees for the fantastic results in a difficult environment.

He suggested that the Company should take up diabetes awareness programmes as a CSR activity.

He said that the intake of sugar was very high in India and it was fuelled by the TV media which promoted sugar products which were dangerous to health.

He suggested that a visit to the Goa factory be arranged as new machines had been installed there.

He said that due to the devaluation of the rupee exports had become attractive and recommended that exports be made to Europe, Middle East and Latin America.

He felt that use of the colour black for the cover of the Annual Report was not appropriate in a year in which the Company was changing its name.

He said that he supported all the resolutions.

Mr. Yusuf Rangwala

He was happy that the Company had sent the Annual Report in time and it was very colourful.

He thanked the Board for the dividend.

He wanted to know when the last Bonus Issue had been made. He requested that a Bonus Issue be made as the Company had very good reserves.

Mr. H. V. Sanghavi

He complimented the Company for giving higher dividend.

He said that he did not understand why the name was being changed as it was difficult for old people to remember the names.

He requested that a factory visit be arranged.

Mr. S. A. Khanolkar

He complimented the Company for the neat presentation of the Annual Report.

He suggested that the names of the departmental heads be mentioned in the Annual Report.

He said that the Company's programmes in the anti-diabetes, anti-hypertensive, anti-epileptic, anti-inflammatory and oncology fields were doing well.

He also said that the acquisition of business from Universal Medicare was a welcome move.

He felt that Prayas was a very good concept and was yielding good results. It was giving knowledge in rural areas.

He wanted to know the indication for which the Company's product Taxotere was used.

He referred to the press report on the shifting of the Company's Head Office and wanted to know where the office was being shifted and when it would happen.

He said that the reserves were very impressive. He complimented the Company for not having any loans and said that it indicated remarkable handling of the working capital. He said that there was scope available for further improvement.

He felt that thoughtful cash management had yielded cash surplus.

He said that sales had increased and the EPS had also gone up quite well. He also said that the appropriations were reasonable.

Mr. Joseph Martins

He complained that he had not received the Annual Report even though he had sent three e-mails to the Company. He felt he was being targetted by the Company's Registrars, Link Intime India Private Limited.

Mr. Michael Martins

He said that he had not received the Annual Report but had been given a copy in the Auditorium.

He said that the dividend of Rs. 33 per share on an EPS of Rs. 83 per share and Profit after Tax of Rs. 191 crores were good.

He said that the Company had massive sales of Rs. 1,200 crores which made it a very large Company.

He wanted to know whether in the Prayas programme, doctors in the villages could take tests and could then receive advice from high level doctors through the internet.

Ms. Shobhana Mehta

She said that she had received the Annual Report in time and that it was colourful and informative.

She felt that as the Company had large reserves, it should issue Bonus Shares in the ratio of 1:1. She wanted to know when the last Bonus Issue was made and the ratio.

She complimented the Company for the excellent results which she said was due to the hard work of all the employees.

She wanted to know the number of products under DPCO.

She also wanted to know whether the Company had appointed a Cost Auditor and whether Internal Audit was done in-house or had been outsourced and if so, the date of appointment.

She suggested that EVA be mentioned in next year's Annual Report.

She wanted to know the expected turnover, capital expenditure and R&D programme for 2012.

She said that she supported all the resolutions.

She suggested that a visit to the Goa factory be arranged by train.

Mr. Hariram Chaudhary

He said that the financial results were quite satisfactory. He also said that the Net Profit which was 15% of sales was satisfactory.

He said that the dividend payout of 40% for 2011 was half that of 2010 when it was 80%.

He suggested that the quarterly results and intimation of the date of the Board Meeting to consider quarterly results be sent on e-mail to those shareholders whose e-mail ids were on the record of the Company.

He wanted to know the amount spent on community welfare.

He said that under the new Companies Bill, the amount spent on CSR should be disclosed in the Annual Report and should be 2% of the Net Profit.

He said that the Company's reserves were 50 times its share capital. It could issue 5 Bonus Shares for every share held.

He wanted to know the number of shareholders to whom the Annual Report had been sent on e-mail.

He conveyed his best wishes to the Chairman, Directors and Auditors.

The Chairman then provided the necessary clarifications. In particular, he stated that :

- i) About 10% of the tablets were manufactured under loan licence.
- ii) The expected turnover in 2012 from the business acquired from Universal Medicare would be around Rs. 130 crores.
- iii) Plans for acquisitions would be opportunity based.
- iv) The Sanofi Group spends around 14% of its turnover on R&D. The Company gets the benefits of such R&D, as a part of the Sanofi Group. No separate R&D was carried out in India.
- v) The Company's market share of 2% was in a highly fragmented market in which the leader had only 6%.
- vi) The Company had a sales force of 2125. The per capita sales was Rs. 47 lakhs. The attrition rate was 15%.
- vii) All expired products were taken back and incinerated. They constituted less than 1% of sales.
- viii) The last Bonus Issue was made in 1994. The Board had listened to the requests of shareholders. It would continue to consider it at an appropriate time. Shareholders had been rewarded with higher dividend payout.
- ix) A visit to the Goa factory would be arranged.
- x) 11,000 copies of the Annual Report had been printed. Annual Reports had been sent on e-mail to about 3500 shareholders and hard copies had been sent to those shareholders in whose cases the e-mails had bounced.
- xi) Taxotere was used for breast cancer.
- xii) As the Company had outgrown its present headquarters in Mumbai, it was planning to shift. However, this was likely to take two years. No place had been identified.
- xiii) About 28% of the products were under price control.
- xiv) M/s. N. I. Mehta & Co. were the Cost Auditors.
- xv) The Company would incur capital expenditure of around Rs. 72.5 crores in 2012.
- xvi) The Company's programme 'Prayas' was a CSR activity. The Company had spent about Rs. 7 crores on this activity.  
The Company had also spent Rs. 10 lakhs on other welfare activities.
- xvii) Telemedicine was a part of the Prayas programme.
- xviii) For 2010, the Company had declared a special dividend from the profit arising from the sale of its investment in Chiron Behring Vaccines Private Limited. Hence, the dividend declared for 2011 was not comparable with the dividend declared for 2010.  
Dividend policy had to take into consideration the Company's expenditure needs. In 2011, the Company had made an acquisition and it had to look at its surplus cash position going forward and decide the dividend accordingly.

- xix) Shareholders could attend diabetes awareness programmes conducted by the Company where free counselling would be provided. However, no free medicines would be provided.

The resolution was then put to vote and was carried unanimously on a show of hands.

6. Dividend

Proposed by Mr. H. V. Sanghavi and seconded by Mr. S. S. Jain, the following Resolution was passed as an Ordinary Resolution :

“RESOLVED THAT an Interim Dividend for the year ended 31<sup>st</sup> December 2011 of Rs. 4 per Equity Share of Rs. 10 paid to the Members whose names appeared on the Register of Members on 4<sup>th</sup> August 2011, be and the same is hereby approved and confirmed.

RESOLVED FURTHER THAT a Final Dividend for the year ended 31<sup>st</sup> December 2011 of Rs. 29 per Equity Share of Rs. 10 be paid to:

- i) those Members whose names appear on the Register of Members of the Company on 3<sup>rd</sup> May 2012; and
- ii) those whose names appear as beneficial owners as at the close of business on 11<sup>th</sup> April 2012, as per details to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited.”

Carried unanimously on a show of hands

At this stage, Dr. Vijay Mallya temporarily stepped down from the Chair. He requested Mr. S. R. Gupte to take the Chair.

7. Re-election of Dr. Vijay Mallya as Director

Proposed by Mr. H. K. Kesharuwala and seconded by Mr. Jayantilal Mehta, the following Resolution was passed as an Ordinary Resolution :

“RESOLVED that Dr. Vijay Mallya who retires by rotation and who is eligible for re-election be and is hereby re-appointed a Director.”

Carried unanimously on a show of hands

After the resolution was passed, Dr. Vijay Mallya again took the Chair.



8. Appointment of Auditors

Proposed by Ms. Shobhana Mehta and seconded by Mr. Hariram Chaudhary, the following Resolution was passed as an Ordinary Resolution :

“RESOLVED THAT M/s. S. R. Batliboi & Co., Chartered Accountants, (Firm Registration No. 301003E) be and are hereby appointed Auditors of the Company to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to fix the remuneration payable and the reimbursement of out-of-pocket expenses, if any, to the said Auditors.”

Carried unanimously on a show of hands

9. Election of Mr. A. Ortoli as Director

Proposed by Mr. R. Chainani and seconded by Mr. Prasad Manjrekar, the following Resolution was passed as an Ordinary Resolution :

“RESOLVED THAT Mr. A. Ortoli who was appointed a Director of the Company on 23<sup>rd</sup> August 2011 in the casual vacancy caused by the resignation of Mr. O. Charmeil and who, in terms of Section 262 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received Notice from a Member under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. A. Ortoli as a candidate for the office of Director, be and is hereby appointed a Director of the Company.”

Carried unanimously on a show of hands

10. Re-appointment of Mr. M. G. Rao as Wholetime Director

Proposed by Mr. S. S. Jain and seconded by Mr. H. Marfatia, the following Resolution was passed as a Special Resolution :

“RESOLVED THAT the Company hereby accords its approval and consent under Sections 198, 269, 309 and 314 of the Companies Act, 1956 and all other applicable provisions, if any, to the re-appointment of Mr. M. G. Rao (presently Alternate to Mr. J. M. Georges) as Wholetime Director of the Company for the period from 6<sup>th</sup> September 2011 to 5<sup>th</sup> September 2012 and to his receiving remuneration, benefits and amenities as Wholetime Director of the Company upon the terms and conditions and stipulations contained in an Agreement to be entered into between the Company and Mr. Rao, a draft whereof is placed before the Meeting and which, for the purposes of identification, is initialled by the Chairman of the Meeting. Provided that the aforesaid approval and consent

shall not be impaired by reason of Mr. J. M. Georges returning to the State of Maharashtra and Mr. Rao being appointed as Alternate Director to Mr. Georges or Mr. Rao being appointed as Alternate Director to any other Director or Mr. Rao filling in any casual vacancy or being appointed as Additional Director or as a Director in his own right by the Company in General Meeting.

RESOLVED FURTHER THAT the remuneration including benefits, amenities and perquisites as set out in the said draft Agreement shall nevertheless be paid and allowed to Mr. Rao as the minimum remuneration for any financial year in case of absence or inadequacy of profits for such year, subject to the approval of the Central Government, if required but shall not in any such year exceed the ceiling laid down in this behalf in Schedule XIII to the Companies Act, 1956, from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and do all such acts, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution.”

Carried unanimously on a show of hands

11. Change of Name of the Company

Proposed by Ms. Shobhana Mehta and seconded by Ms. C. E. Mascarenhas, the following Resolution was passed as a Special Resolution :

“RESOLVED THAT pursuant to the provisions of the Companies Act, 1956 and subject to the approval of the Central Government, the Members of the Company hereby accord their approval for changing the name of the Company from ‘Aventis Pharma Limited’ to ‘Sanofi India Limited’ or such other name with the prefix ‘Sanofi’ as may be approved by the Central Government/Registrar of Companies.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to decide the date, time and manner of filing the application with the Central Government/Registrar of Companies for seeking their approval to change the name of the Company and to do all such acts, deeds and things as may be deemed expedient and necessary in their absolute discretion to give effect to this Resolution in the best interests of the Company.”

Carried unanimously on a show of hands

12. Amendment of Memorandum and Articles of Association for substituting new name of the Company

Proposed by Mr. M. G. Chandiramani and seconded by Mr. S. A. Khanolkar, the following Resolution was passed as a Special Resolution :

“RESOLVED THAT upon the change of name of the Company becoming effective, the name ‘Aventis Pharma Limited’ wherever it occurs in the Memorandum and Articles of Association be substituted by the name ‘Sanofi India Limited’ or such other name with the prefix ‘Sanofi’ as may be approved by the Central Government/Registrar of Companies .”

Carried unanimously on a show of hands

13. Vote of Thanks

The Meeting concluded with a vote of thanks to the Chair.

CHAIRMAN