

SANOFI INDIA LIMITED

Minutes of the proceedings of the Fifty-eighth Annual General Meeting of the Members of Sanofi India Limited held on Tuesday, 29th April 2014 at 2.30 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)
Ms. Virginie Boucinha (Wholtime Director)
Mr. S. R. Gupte (Director)
Mr. Rangaswamy R. Iyer (Director)
Mr. M. G. Rao (Wholtime Director)
Mr. K. Subramani (Company Secretary)

Hoechst GmbH by their representative, Dr. S. Ayyangar

Sanofi by their representative, Dr. S. Ayyangar

101 other Members in person including Mr. Michael Martins, Mr. R. V. Chari, Mr. H. V. Sanghavi, Mr. Seshan Krishnamoorthy, Mr. Ronald Fernandes, Mr. B. F. Pouredehi, Ms. C. E. Mascarenhas, Mr. Vishnu Gopalakrishnan and Mr. Nikhil Upadhyay

33 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

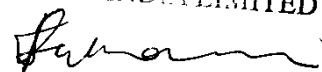
The Notice convening the Meeting was, with the consent of those present, taken as read.

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. LLP dated 25th February 2014.

CERTIFIED TRUE COPY.

SANOFI INDIA LIMITED



K. SUBRAMANI
COMPANY SECRETARY

4. Chairman's Statement

The Chairman's statement reviewing the Results for the financial year ended 31st December 2013 and setting out the prospects for the current year had been distributed to the Members present at the Meeting.

The Chairman requested the Members to read the speech at leisure. He said that the Company's Managing Director, Dr. Shailesh Ayyangar had become President of the Organization of Pharmaceutical Producers of India, the apex body of the pharmaceutical industry and he would champion not only the cause of the industry amongst all regulators and stakeholders but also that of the Company.

The Chairman said that despite the challenges faced by the healthcare industry in 2013, a recovery had taken place and the industry in general and the Company in particular was back on a growth platform.

5. Accounts

The following Resolution was moved from the Chair :-

"RESOLVED THAT the Accounts for the year ended 31st December 2013 being the Balance Sheet as at 31st December 2013 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. Michael Martins, Mr. R. V. Chari, Mr. H. V. Sanghavi, Mr. Seshan Krishnamoorthy, Mr. Ronald Fernandes, Mr. B. F. Pouredehi, Ms. C. E. Mascarenhas, Mr. Vishnu Gopalakrishnan and Mr. Nikhil Upadhyay spoke. Their comments were as follows :

Mr. Michael Martins

He said that he was delighted that the Company was getting better every day. It was thinking of patients who were its customers and ensuring transparent and constructive interactions through mutual trust. He said that the Company was renewing patients' hopes by maintaining the highest ethical and quality standards. It could market products throughout the world.

He said that there was improvement in diesel power efficiency and the Company had earned more foreign exchange than it had spent.

Mr. R. V. Chari

He thanked the Company Secretary for sending the Annual Report well in time. He also thanked the Chairman for increasing the dividend from Rs. 33 per share for 2012 to Rs. 45 per share for 2013. He said that he had a doubt whether the Company would be able to maintain the same dividend next year.

He said that the Company had done well in all aspects. The Profit Before Tax and Profit After Tax as percentage of sales had gone up in 2013 as compared to 2012.

He said that the Company had maintained control on raw materials, brought down staff cost and finance cost.

He was happy that the Earnings Per Share had gone up to Rs. 104.12.

Mr. H. V. Sanghavi

He thanked the management for increasing the dividend.

He requested that a visit to the factory be arranged by train.

Mr. Seshan Krishnamoorthy

He thanked the Company for sending a colourful and informative Annual Report in time.

He thanked all the employees in the Goa factory for the arrangements made during the visit of the shareholders in 2013.

He said that he was fully satisfied with the quality control measures and the handsome dividend recommended by the Board.

He said that the export performance was good and the Company should consider exports to Myanmar.

He suggested that the Company donate a mobile dispensary or van to a charitable NGO or operate the same in tribal areas where malnutrition was prevalent.

He said that he supported all the resolutions.

He was happy that the Company had spent almost the same amount in foreign exchange which it had earned.

He appreciated the Company's efforts to conserve natural resources and use of wind energy.

Mr. Ronald Fernandes

He thanked the Company Secretary for sending the Annual Report in time.

He said that he liked the first page of the Annual Report, He said that the photographs of the Directors should appear in the inner pages of the Annual Report. He felt that the last page which had been kept blank could have been utilised for the photographs of the visit of the shareholders to the Goa factory.

He said that the other expenses were well controlled. He said that the Company had well branded products.

He said he supported all the resolutions.

Mr. B. F. Pouredehi

He said that the Company's name had been changed several times and wanted to know how it had been integrated.

He said that the Company had sold off the premises in Hoechst House, Nariman Point, Mumbai.

He suggested that the Company should buy back shares at Rs. 4,000.

He felt that as the Earnings Per Share was Rs. 104, the shareholders could have been given more dividend.

He said he had sent his questions on e-mail to the Company.

Ms. C. E. Mascarenhas

She said that the Annual Report was very beautiful and informative and had a lot of pictures.

She congratulated the Company for a stellar performance with dividend being increased from Rs. 33 per share to Rs. 45 per share.

She said that the reserves were 132 times the share capital. She wanted to know the view of the Board of Directors on declaring a bonus issue in 2016 when the Company would celebrate its diamond jubilee.

She said that foreign promoters were increasing their stake in other companies to 75%. She suggested that a bonus issue followed by an open offer should be made.

She wanted to know whether the Company had any medicines to prevent diabetes.

She suggested that when the shareholders visit the Goa factory, a medical camp could be arranged through the Voluntary Health Association of Goa with which the Company was associated. She also suggested that when shareholders go for personal visits to Goa, they should be permitted to attend the health camps.

She said that she supported all the resolutions.

Mr. Vishnu Gopalakrishnan

He complimented the management for the excellent results in the last few years. He wanted to know whether the Company had plans to add to its field force or whether it had reached the right size.

He wanted to know the therapeutic areas on which the Company would focus and how it would impact the other Sanofi entities in India.

He wanted to know the turnover at the time of the acquisition from Universal, the turnover in 2013 and plans for this business, especially in exports.

Mr. Nikhil Upadhyay

He said that the exports had increased with a 56% jump in volumes. He wanted to know whether the orders received were sustainable or whether they were in substitution of orders of other sister companies.

He wanted to know the contribution of the top brands to the nutraceutical business.

He also wanted to know the progress in the Prayas and Diabetes initiatives.

He sought to know the key therapeutic areas in which the Company was currently focussed on. He also wanted to know whether the doctor coverage had been increased.

He sought to know the capital expenditure plans for future years.

He wanted to know the tenure of the wage settlements with the Medical Representatives and the employees in Goa and Ankleshwar factories and whether the Company revised the wages during the intermittent period.

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

- (i) The Company had an internal policy to distribute a certain percentage of its net profit every year. As the decline in industry had been arrested and the Company was back on its growth target, the Board remained optimistic on dividend payout.
- (ii) Suggestions on the factory visit would be considered.
- (iii) The premises in Hoechst House had not been sold.
- (iv) While diabetes could be prevented by lifestyle management, there were no medicines to prevent diabetes.
- (v) The Company had recruited about 130 Medical Representatives and had reached the right size.
- (vi) The focus areas would be hospital antibiotics.
- (vii) The business acquired from Universal had faced the same challenges as the industry had faced last year but there was strong trend of growth in the current year.
- (viii) Exports were good and export trends were sustainable.
- (ix) The Sanofi group had transferred some of its manufacturing activities from Europe to India.
- (x) The nutraceutical segment contributed to less than 10% of the Company's overall profit.
- (xi) Employee wage agreements were for a period of 3 1/2 years.

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

6. Dividend

Proposed by Mr. R. V. Chari and seconded by Ms. C. E. Mascarenhas, the following Resolution was passed as an Ordinary Resolution :

“RESOLVED THAT an Interim Dividend for the year ended 31st December 2013 of Rs. 10 per Equity Share of Rs. 10 paid to the Members whose names appeared on the Register of Members on 6th August 2013, be and the same is hereby approved and confirmed.

RESOLVED FURTHER THAT a Final Dividend for the year ended 31st December 2013 of Rs. 35 per Equity Share of Rs. 10 be paid to:

- i) those Members whose names appear on the Register of Members of the Company on 29th April 2014; and
- ii) those whose names appear as beneficial owners as at the close of business on 17th April 2014, 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

7. Re-election of Mr. S. R. Gupte as Director

Proposed by Mr. R. K. Chainani and seconded by Mr. H. V. Sanghavi, the following Resolution was passed as an Ordinary Resolution :

“RESOLVED that Mr. S. R. Gupte 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

8. Re-election of Mr. J. M. Georges as Director

Proposed by Mr. Ronald Fernandes and seconded by Mr. Michael Martins, the following Resolution was passed as an Ordinary Resolution :

“RESOLVED that Mr. J. M. Georges 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

9. Appointment of Auditors

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

“RESOLVED THAT M/s. S R B C & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 324982E) 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 as the retiring Auditors, M/s. S. R. Batliboi & Co. LLP have given the Company notice, in writing, expressing their unwillingness to be re-appointed as Auditors on their retirement at the ensuing 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. Appointment of Ms. Joanna Potts as Wholetime Director

Proposed by Mr. B. F. Pouredehi and seconded by Mr. Tushar D. Sodha, 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, and provisions of the Companies Act, 2013 as and when notified and made applicable, to the appointment of Ms. Joanna Potts (Alternate to Mr. A. Ortoli) as Wholetime Director of the Company for the period from 1st May 2013 to 9th February 2014 and to her 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 Ms. Joanna Potts, 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. A. Ortoli returning to the State of Maharashtra and Ms. Joanna Potts being appointed as Alternate Director to Mr. Ortoli.

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 Ms. Joanna Potts 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

10. Appointment of Mr. M. G. Rao as Wholetime Director

Proposed by Mr. Jayantilal A. Mehta and seconded by Mr. P. V. Vazirani, 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, and provisions of the Companies Act, 2013 as and when notified and made applicable, 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 6th September 2013 to 5th September 2014 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. Payment of commission to Directors

Proposed by Mr. M. G. Chandiramani and seconded by Mr. P. C. Tamhane, the following Resolution was passed as a Special Resolution :

“RESOLVED THAT pursuant to the provisions of Sections 198, 309(4) and other applicable provisions, if any, of the Companies Act, 1956, and provisions of the Companies Act, 2013 as and when notified and made applicable, the Company’s Directors other than the Managing Director or Wholetime Directors or Directors who are employees of Sanofi or companies of the Sanofi Group, in addition to sitting fees paid to them for attending the Meetings of the Board of Directors or its Committees, be paid every year for a period of five years from 1st January 2014, commission of an amount as may be determined by the Board

of Directors from time to time, subject to a ceiling of one per cent of the net profits of the Company computed in the manner laid down in Section 198(1) of the Companies Act, 1956, with authority to the Board of Directors to distribute the commission amongst such Directors in such manner as the Board of Directors may from time to time decide."

Carried unanimously on a show of hands

12. Vote of Thanks

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

CHAIRMAN