


K. SUBRAMANI
COMPANY SECRETARY

SANOFI INDIA LIMITED

Minutes of the proceedings of the Fifty-seventh Annual General Meeting of the Members of Sanofi India Limited held on Tuesday, 30th April 2013 at 2.45 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 (Wholetime Director)
Mr. J. M. Gandhi (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

102 other Members in person including Mr. Seshan Krishnamoorthy, Mr. H. Kesharuwala, Mr. Kirti Shah, Ms. Smita Shah, Mr. Bharat Shah, Ms. Homa Pouredahi, Mr. R. V. Chari, Mr. Joseph Martins, Mr. Michael Martins, Mr. R. Damodaran and Mr. A. Mascarenhas

18 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 25th February 2013.

4. Chairman's Statement

The Chairman's statement reviewing the Results for the financial year ended 31st December 2012 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 31st December 2012 being the Balance Sheet as at 31st December 2012 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. Seshan Krishnamoorthy, Mr. H. Kesharwala, Mr. Kirti Shah, Ms. Smita Shah, Mr. Bharat Shah, Ms. Homa Pouredahi, Mr. R. V. Chari, Mr. Joseph Martins, Mr. Michael Martins, Mr. R. Damodaran and Mr. A. Mascarenhas spoke. Their comments were as follows :

Mr. Seshan Krishnamoorthy

He said that he had received the Annual Report in time. The Annual Report was transparent, colourful and very informative.

He thanked the Management for arranging the visit to the Goa factory before the Annual General Meeting as it enabled the shareholders to get a first hand vision of the factory. He said that the Company had made excellent travel arrangements.

He said that the Company was taking extra trouble for giving high quality medicines at very reasonable prices. He suggested that the price of Avil be increased from the present price of Rs. 4.

He thanked the Management and Board for the excellent results.

He felt that 14 pages in the Annual Report were wasted on the theme of Billion Smiles. Instead, the products of the Company could have been featured in the Annual Report.

He felt that Exports were not highlighted in the Annual Report. The country desperately needed foreign exchange. He suggested that the Company should consider exporting to Myanmar which had recently opened up. It had a population greater than that of Sri Lanka, Maldives, etc. He felt that the Company should consider this on priority before China stepped in to fill the gap.

He said that while Childline is a good organisation for CSR activities, there were other better organisations such as Shelter Don Bosco which helped destitute children.

He said that the Goa house journal was very good.

He suggested that the Company should consider use of solar power and wind power to reduce cost of electricity. Empty coconut shell which has high calorific value and cashew nut shell could be used in boilers.

He said that he supported all the resolutions to be passed at the Annual General Meeting.

Mr. H. Kesharuwala

He said that he had come for the Annual General Meeting from Pune to thank the team in Pune which was helping shareholders in treatment of diabetes.

He suggested that the Company should offer its imported diabetes products such as Apidra at a reasonable / concessional price instead of shareholders having to purchase from distributors at higher price.

Mr. Kirti Shah

He was happy that the Company with a high turnover was selling medicines at low cost.

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

He wanted to know why the promoter holding was only 60% when it could be increased to 75% by acquiring 5% every year. Acquisition upto 2% did not even need any approval.

He suggested that the face value of the share be reduced from the present Rs. 10 to Rs. 5 or Rs. 2 or Re. 1 as had been done by other companies as there was hardly any trading in the Company's shares. He gave the example of another company whose share price before the split was Rs. 700 and whose price after the split was around Rs. 500.

He wanted to know why the Net Profit margin had come down to 10.6% in Q4 2012 as against 12.33% in the previous quarter. He said that other companies in the peer group had margins between 16% and 26%.

He wanted to know why the domestic institutions including LIC were selling the shares. He suggested that the Company should call a meeting of the analysts to create the Company's future valuation.

He wanted to know why no Bonus Shares had been issued although the Company had high reserves.

He said that the Company's policy of declaring an Interim Dividend of Rs. 4 per share and Final Dividend of Rs. 29 per share was expensive as same costs had to be incurred, irrespective of the rate of dividend. He suggested that the Interim Dividend should be 40 or 50% of the total Dividend.

He wanted to know why a FII, Aberdeen Asset Management Company had purchased and sold shares in one day and disclosed the same to the Stock Exchanges under the Insider Trading Regulations.

He wanted to know the date of listing of the Company's shares on the Bombay Stock Exchange.

He wanted a reply to the questions sent by him.

Ms. Smita Shah

She said that she had not received the Annual Report but got it when she came to attend the Annual General Meeting. She said that the Annual Report was colourful.

She said that the Goa factory visit was well arranged and the Company's staff had taken good care of the shareholders.

She said that the dividend was good as also the performance.

She suggested that one day's stay in Goa for sight seeing should have been provided though the shareholders had been given time for shopping.

She said that she supported all the resolutions.

Mr. Bharat Shah

He said that the Company was making progress.

He said that those shareholders who could not visit the Goa factory this year should be taken by train.

Ms. Homa Pouredehi

She said that she had given a list of the questions and had received the answers.

She was happy that the Chairman and Managing Director had kept their promise to arrange a factory visit. She said that it was hectic and hence could not avail of the visit.

She wanted to know whether the Company had tablets or insulins for diabetes. She also wanted to know the percentage of products under price control.

She sought to know whether the Company had any drugs for cancer and whether the Company had patent rights for any products.

She wanted to know the number of Medical Representatives and how much each Medical Representative contributed to the turnover.

She wanted to know the Chairman's personal opinion on the issue of Glenmark infringing the patent rights of Merck.

She wished the Company all the very best.

Mr. R. V. Chari

He thanked the Chairman for consenting to the factory visit and the Company Secretary for implementing it successfully.

He said that there would always be some shareholders who would grumble or have grievances but suggested that they should be ignored.

He said that the Company should give a packet of Combiflam tablets to the shareholders.

He was happy that immense efforts had been made to control raw material cost by 2.5%. He said that inventories had been brought down by 2.23% and the Company had done very well with regard to trade receivables. He complimented the Management for good working capital management as it was 10.4% of sales in 2011 and 4.7% of sales in 2012.

Mr. Joseph Martins

He said that the Goa factory visit was well arranged.

He said that all the employees were striving towards excellence and higher levels of endeavour. They were always trying to be better every day. Innovation fired the passion of employees. They were always trying to be better in everything.

He said that the Company had ability to manage the business as a winner in any situation. The Company had a passion to improve the quality of life.

He felt that the health camps organised by the Company in Goa would transform the lives of people.

He said that values are the cornerstone of the Company's culture and they would have a great impact on the employees who would come together and share responsibilities.

He felt that the Company had nothing to fear on pharmaceutical problems and would surpass all obstacles.

Mr. Michael Martins

He said that he shared the sentiments expressed by his brother, Mr. Joseph Martins.

He said that he was glad to be a shareholder of the Company which always had good health at the heart of everything it did.

The Company was adapting to changing realities, gearing for future challenges, investing in the best available scientific research, reaching out to patients and delivering healthcare solutions.

He said that the Company had generated power using biomass and used various methods to conserve energy.

He hoped that the Company and all associated with it would be blessed by GOD and that it would do better in future.

Mr. R. Damodaran

He wanted to know whether the Company had any awareness programme on cancer.

He was very pleased with the excellent performance of the Company. He said that the EPS of Rs. 70 on face value of Rs. 10 was very good as also the dividend.

He wanted to know the products being manufactured in Goa and the products for diabetes being marketed by the Company.

Mr. A. Mascarenhas

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

He said that the results were very good even though the Profit before Tax and Profit after Tax had come down. He was happy with the dividend of Rs. 33 per share.

He said that the Goa factory visit was a memorable one and the Company's staff had taken very good care of the shareholders. The work culture was very good.

He suggested that the Company should have a health camp for shareholders.

He said that the products of the Company were very expensive. He felt that the Company should either give some samples of the products or should give concession to the shareholders for purchase of its products, especially Seacod which was better than the products of competitors.

He wished the Company and the Board all the very best.

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

- i) He was happy that the shareholders were appreciative of the arrangements made by the Company for the factory visit. Suggestions made for future visits would be considered.
- ii) The price of Avil is low as it is a price controlled product.
- iii) The Company would explore the possibility of exporting to Myanmar.
- iv) The Company would not be able to sell products to shareholders at concessional prices as it did not have a retail licence and did not have retail operations.
- v) The Company interacted with analysts / shareholders. It took care of shareholders' interests. However, it was not necessary to promote the Company to analysts to boost up the share price. The Company was doing well and the dividend payment was good.

- vi) Aberdeen was required to make a disclosure under the SEBI Insider Trading Regulations as it held more than 5% of the Company's share capital. Investors were free to buy and sell shares every day.
- vii) The Company's oral anti diabetic products were Amaryl, Amaryl M, Amaryl P, Cetapin and Daonil. The insulins sold were Lantus, Insuman and Apidra.
- viii) 35% of the Company's turnover was from products under price control.
- ix) The Company had no patented products. The global parent Company held patents for the products.
- x) The Company had about 2000 representatives constituting 85% of the total workforce. Per capita sales per representative was Rs. 74 lakhs, the highest in the industry.
- xi) The Company's product Taxotere was indicated for breast cancer.
- xii) The Company would examine the possibility of having health camps for shareholders.

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

6. Dividend

Proposed by Mr. Yusuf Rangwala and seconded by Mr. Kirti Shah, the following Resolution was passed as an Ordinary Resolution :

"RESOLVED THAT an Interim Dividend for the year ended 31st December 2012 of Rs. 4 per Equity Share of Rs. 10 paid to the Members whose names appeared on the Register of Members on 3rd August 2012, be and the same is hereby approved and confirmed.

RESOLVED FURTHER THAT a Final Dividend for the year ended 31st December 2012 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 30th April 2013; and
- ii) those whose names appear as beneficial owners as at the close of business on 8th April 2013, 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. A. K. R. Nedungadi as Director

Proposed by Mr. R. V. Chari and seconded by Mr. Bharat Shah, the following Resolution was passed as an Ordinary Resolution :

“RESOLVED that Mr. A. K. R. Nedungadi 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. Gandhi as Director

Proposed by Mr. H. Kesharuwala and seconded by Ms. Smita Shah, the following Resolution was passed as an Ordinary Resolution :

"RESOLVED that Mr. J. M. Gandhi 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

The Chairman informed the Members that the Statutory Auditors had informed the Company that their name had been changed from S. R. Batliboi & Co. to S. R. Batliboi & Co. LLP consequent on their becoming a Limited Liability Partnership under the Companies Act, 1956.

The Board of Directors, therefore, considered it necessary to amend the Resolution set out at item no. 5 of the Notice convening the Meeting.

It was moved from the Chair that the Resolution set out at no. 5 of the Notice convening the Meeting be modified to read as follows :

“RESOLVED THAT M/s. S. R. Batliboi & Co. LLP, 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.”

The Chairman put the amendment to vote and the amendment was carried unanimously on a show of hands.

Proposed by Mr. Prasad Manjrekar and seconded by Mr. Aloysius Mascarenhas, the Resolution, modified as set out below, was passed as an Ordinary Resolution :

“RESOLVED THAT M/s. S. R. Batliboi & Co. LLP, 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

10. Appointment of Mr. S. Umesh as Wholetime Director

Proposed by Mr. R. Damodaran and seconded by Mr. Michael Martins, 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 appointment of Mr. S. Umesh (Alternate to Mr. A. Ortoli) as Wholetime Director of the Company for the period from 4th May 2012 to 31st January 2013 and to his receiving remuneration, benefits and amenities as Wholetime Director of the Company as set out in the Explanatory Statement annexed to the Notice of this Meeting and upon the terms and conditions and stipulations contained in an Agreement between the Company and Mr. Umesh, 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 having returned to the State of Maharashtra and Mr. Umesh having been re-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 Mr. Umesh 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.

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. Appointment of Ms. Virginie Simone Jeanine Verrechia as Wholetime Director

Proposed by Mr. Joseph Martins and seconded by Ms. Smita Shah, the following resolution was passed as a Special Resolution :

"RESOLVED THAT subject to the approval of the Central Government, the Company hereby accords its approval and consent under Sections 198, 269, 309 and all other applicable provisions of the Companies Act, 1956, read with Schedule XIII thereto, to Ms. Virginie Simone Jeanine Verrechia (Ms. Virginie Boucinha) holding office as Wholetime Director of the Company for a period of five years with effect from the 25th day of July 2012 and to her receiving remuneration, benefits and amenities as Wholetime Director of the Company as set out in the Explanatory Statement annexed to the Notice of this Meeting and upon the terms and conditions and stipulations contained in an agreement to be entered into between the Company and Ms. Virginie Simone Jeanine Verrechia (Ms. Virginie Boucinha), a draft whereof is placed before the Meeting and which, for the purposes of identification, is initialled by the Chairman of the 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 Ms. Virginie Simone Jeanine Verrechia (Ms. Virginie Boucinha) 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

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

Proposed by Mr. Prabhakar R. Shirolkar and seconded by Mr. Bimal Kumar Agarwal, 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 6th September 2012 to 5th September 2013 and to his receiving remuneration, benefits and amenities as Wholetime Director of the Company as set out in the Explanatory Statement annexed to the Notice of this Meeting and 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

13. Vote of Thanks

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

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CHAIRMAN