



K. SUBRAMANI
COMPANY SECRETARY

SANOFI INDIA LIMITED

Minutes of the proceedings of Fifty-ninth Annual General Meeting of the Members of Sanofi India Limited held on Wednesday, 29th April 2015 at 2.30 p.m. at the Y. B. Chavan Centre – Auditorium, near Sachivalaya Gymkhana, Gen. J. Bhosale Marg, Nariman Point, Mumbai 400 021

Present: Dr. Vijay Mallya (In the Chair)
Dr. S. Ayyangar (Managing Director)
Ms. Virginie Boucinha (Wholetime Director)
Mr. S. R. Gupte (Director)
Mr. A. K. R. Nedungadi (Director)
Mr. Rangaswamy R. Iyer (Director)
Mr. M. G. Rao (Alternate Director)
Mr. K. Subramani (Company Secretary)
Hoechst GmbH by their Proxy, Dr. S. Ayyangar
Sanofi by their Proxy, Dr. S. Ayyangar

122 Members present in person including Mr. Seshan Krishnamoorthy, Mr. Beruz Pouredahi, Ms. Homa Pouredahi, Mr. Rajesh Chainani, Mr. Ranjit Kapadia, Mr. S. A. Khanolkar, Mr. Hariram Chaudhary, Mr. H. V. Sanghavi, Mr. Himanshu Upadhyay, Mr. Subodh Karode, Mr. Bharat Shah, Mr. Nikhil Upadhyay, Mr. M. Kotwal, Mr. P. K. Agnihotri, Mr. D. Bhatia, Mr. Ronald Fernandes and Mr. A. Mascarenhas.

3 Members present through Proxies whose names appear in the Register of Proxies.

Mr. S. N. Ananthasubramanian, Practising Company Secretary (Scrutinizer appointed by the Board of Directors)

Statutory Registers as per
requirement of the
Companies Act, 2013

Placed at the meeting

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 meeting

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

3. Homage to earthquake victims

At the request of the Chairman, the Members stood in silence for one minute as a mark of respect for the victims of the earthquake in Nepal.

4. Chairman's Statement

The Chairman's statement reviewing the results for the financial year ended 31st December 2014 and setting out 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 read out important excerpts relevant to the proceedings of the meeting.

5. Auditor's Report

The Chairman informed the Members that under the Companies Act, 2013, only the qualifications, observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Company and mentioned in the Auditor's Report are required to be read out in the General Meeting. As it was a clean report, the Chairman said that he was not asking the Company Secretary to read out the Auditor's Report.

6. Passing of resolutions by e-voting and ballot

The Chairman informed the Members that as per Sections 107 and 108 of the Companies Act, 2013, there is no requirement of passing of resolutions by show of hands at the Annual General Meeting as the Company had provided e-voting facility. This was in compliance with Clause 35B of the Listing Agreement with the Stock Exchanges. The Company had provided e-voting facility in the manner prescribed under the Companies (Management and Administration) Rules, 2014.

E-voting facility had been kept open from 9 a.m. on Thursday, 23rd April 2015 to 5 p.m. on Saturday, 25th April 2015.

In order to enable Members present at the meeting (either in person or through proxies) who had not exercised e-voting facility to cast their votes,

ballot papers had been distributed to them. Members / proxies could cast their votes and insert the ballot papers in the ballot boxes kept on the dais.

The Chairman said that the Board of Directors had appointed Mr. S. N. Ananthasubramanian, Practising Company Secretary (who was present in the Auditorium) as the Scrutinizer to ensure that the voting process (both e-voting and ballot) was conducted in a fair and transparent manner.

He said that the results of the voting would be announced by the Company Secretary at the Registered Office of the Company, communicated to the Stock Exchanges and displayed on the website of the Company within 2 working days.

7. Accounts

The Chairman moved the following resolution:

“RESOLVED THAT the financial statements of the Company for the year ended 31st December 2014 including the audited Balance Sheet as on 31st December 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon be and the same are hereby approved and adopted.”

The Chairman then invited comments from shareholders.

Mr. Seshan Krishnamoorthy, Mr. Beruz Pouredahi, Ms. Homa Pouredahi, Mr. Rajesh Chainani, Mr. Ranjit Kapadia, Mr. S. A. Khanolkar, Mr. Hariram Chaudhary, Mr. H. V. Sanghavi, Mr. Himanshu Upadhyay, Mr. Subodh Karode, Mr. Nitin Oza, Mr. Bharat Shah, Mr. Nikhil Upadhyay, Mr. M. Kotwal, Mr. P. K. Agnihotri, Mr. D. Bhatia, Mr. Ronald Fernandes and Mr. A. Mascarenhas spoke.

Their comments were as follows:

Mr. Seshan Krishnamoorthy

He said that he had received the Annual Report well in advance. It was colourful, beautiful and thought provoking. He thanked all the employees and Managers for the fantastic performance.

He said that the venue of the meeting was far away from the railway station. He felt that the Company should have the meeting at a hall near the railway station and that the meeting should start later in the afternoon.

He said that the Company should route its donations for the victims of the earthquake in Nepal, UP and Bihar through NGOs such as Ramakrishna Mission or the Red Cross. Food should not be sent as it would be wasted.

He suggested that the Company's product, Multivite FM should be sold in strip packing as glass bottles were likely to break.

He congratulated the Company for taking measures to save electricity in the Goa factory.

He suggested that a visit be arranged to the Ankleshwar factory.

He said that he supported all the resolutions.

Mr. Beruz Pouredehi

He said that he was upset that the Company had maintained the dividend though salaries had gone up.

He said that he had not received the Annual Report and received it only a day before the Annual General Meeting after asking for the same.

He wanted to know why the Earnings Per Share (EPS) had gone down as compared to the previous year. What were the reasons for the top line to have increased and for the bottom line to have gone down?

He said that the Company was spending more foreign exchange through imports than earning foreign exchange from exports and wanted to know the reasons for the same.

He said that Legal and Professional charges had gone up and wanted a break-up between Legal charges and Professional charges, to whom they were paid and the reasons for the increase.

He wanted to know why audit fees and rent payments had increased and the premises for which rent had been paid.

He said that Travelling and Conveyance expenses had gone up and wanted a break-up between Travelling expenses and Conveyance expenses and reasons for the increase.

He said that the accounts gave details of donations to other than political parties and wanted to know whether the Company had made donations to any political parties.

He said that he supported all the resolutions.

Ms. Homa Pouredehi

She said that as she had received the Annual Report only the day before the meeting, she would send a list of questions to the Company.

She welcomed the only lady Director on the Board and wanted to know whether she was based in Mumbai.

She felt that the Company had should stop manufacturing the products whose prices had been reduced and which reduction had adversely impacted the Company's performance.

Mr. Rajesh Chainani

He thanked the Company Secretary for sending the Annual Report in time. He said that it was very colourful and informative.

He wanted to know how many products were under price control.

He was happy that five products of the Company featured in the top 100 brands in the pharmaceutical industry.

He was also happy that Dr. Shailesh Ayyangar had been elected President of the Organisation of Pharmaceutical Producers of India (OPPI) for the second time.

He felt that the dividend payout should have been increased as prices of all commodities had gone up.

He was surprised that the Chairman received sitting fees of only Rs.80,000 during 2014. He wanted to know why he was holding only 80 shares.

He suggested that a visit be arranged to the Goa factory and one night's stay be provided to the shareholders.

He said that he supported all the resolutions.

He wished the Chairman all the best.

Mr. Ranjit Kapadia

He said that he had sent a list of questions to the Company and requested that answers be provided.

Mr. S. A. Khanolkar

He wanted the Company to send him a list of its nutraceutical products and their therapeutic uses.

He wanted information on the Saath 7 programme of the Company for diabetes management.

He congratulated Dr. Ayyangar for being elected President of OPPI for the second time.

He welcomed the setting up of the Chemical and Biotechnology Centre in Ankleshwar. He said manufacture of Floctafenine was a good move towards import substitution.

He said that while the Company was a zero debt Company, there was still scope for control on inventories which could lead to improvement in working capital management. He said that the cash flow was well managed and the Company was sitting on surplus cash.

He said that the Net Profit had come down and the Exceptional income had helped to increase it. He said that there was status quo in the appropriations.

He felt that the decision of the NPPA on Cardace and Amaryl had impacted the Company's performance along with marketing expenses.

He said that the Company would be completing 60 years in 2016 and wanted to know if there would be special rewards for the shareholders.

He requested that a visit to the Goa factory be arranged as the visit had not materialised although promised in the previous year.

He wished the Chairman all the best in all his endeavours.

Mr. Hariram Chaudhary

He congratulated Dr. Ayyangar on being elected President of OPPI for the second year and said it was a great honour.

He wanted to know the results of the first quarter of 2015.

He said that the Company was one of the top 100 companies in CSR activities which indicated that it was conscious of community welfare.

He requested the Company to consider donating a sum of say Rs.25,000 to patients undergoing operations for diseases such as heart, kidney, cancer, etc. as part of CSR activity.

He wanted to know whether the Company had formed a CSR Committee and its composition.

He said that it was now compulsory to spend 2% of the Net Profit on CSR activities, failing which reasons would have to be given.

He agreed with the views of another shareholder on the venue of the meeting.

He suggested that a visit to the Ankleshwar factory be arranged.

Mr. A.Rego

He said that while one shareholder had complained of non-receipt of the Annual Report, he had received two Annual Reports.

He wanted to know whether the Company had any products for orthoarthritis.

Ms. Smita Shah

She welcomed the lady Director.

She thanked the Company Secretary for a colourful and informative Annual Report.

She suggested that instead of giving the names of the Directors on page 32 of the Annual Report, they should appear on the second page.

She requested the Board to declare a 1:1 Bonus issue in the diamond jubilee year.

She requested that a visit be arranged to one of the factories by train as it was comfortable. She said that shareholders should also be taken on a sight-seeing visit to nearby places.

She wanted to know the capital expenditure programme for the next five years.

She said that she supported all the resolutions.

Mr. H. V. Sanghavi

He was very happy that the Company had appointed a lady Director.

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

He said that the Company was a zero debt Company.

He wished the Company all the best and said that it should continue to prosper.

Mr. Himanshu Upadhyay

He wanted to know the growth in volume and value in the last quarter of the products whose prices had been reduced in 2014 – Cardace, Amaryl, Lasix and Avil. He also wanted to know the volume growth in 2014 of Clexane whose price had been reduced in 2013.

He wanted to know the revenues from the new introductions in the last 3 to 5 years, percentage of revenues from the OTC segment and plans for new introductions.

He referred to the statement in the Annual Report regarding product prioritization in the neutraceutical business and wanted to know whether any products had been discontinued or new products introduced. He wanted to know the size of the neutraceutical market.

He also wanted to know the number of Medical representatives and the segments in which they were deployed.

He wanted break-up of the Capital work-in-process, expected time of completion and whether there were further plans for capital expenditure.

He sought to know how large the institutional business was and the sales made directly to hospitals. He also wanted to know the expected revenue from Floctafenine.

Mr. Subodh Karode

He congratulated the Company for doing well.

He was happy at the robust exports and felt that the Company should grow exports aggressively.

He said that new products should be introduced through the listed company and not through the unlisted company.

He felt that the price reduction was too drastic. He said that this may lead to reduction of production cost which would affect the quality of the products and requested the Company not to do so.

He wanted to know when the Court decision was expected in the price reduction case filed by the industry.

He felt that the Company should continue selling at the old higher prices and if the Court decision went against the Company, the excess amount could be paid back to the Government.

He sought to know whether the reduced prices had led to increase in sales.

He wanted to know the expected sales and profits for 2015 based on the reduced prices.

He also wanted to know the contingency plans in case the NPPA did not reverse its decision.

He sought to know the new drugs proposed to be launched by the Company.

Mr. Nitin Oza

He wanted to know the thought process behind introduction of new products between the listed company and the unlisted company.

He also wanted to know whether new products would be launched in India only after they had gone off-patent abroad.

He wanted to know the percentage of revenue of products under DPCO and NPPA.

He said there was substantial increase in Fixed Assets including Capital work-in-process in the last two years and wanted to know whether it pertained to domestic market or export market.

He wanted to know the strategy behind exports and whether they were going to increase.

He said that inventories and trade payables had gone up and wanted to know the reasons for the increase.

Mr. Bharat Shah

He said that he had received the Annual Report on time.

He said that the shareholders get good response from the Company.

He suggested that shareholders should be allowed to purchase the Company's products at discounted prices.

He requested that a factory visit be arranged.

He said that he supported all the resolutions.

Mr. Nikhil Upadhyay

He wanted to know the volume / value growth of products after the reduction in prices by NPPA.

He also wanted to know whether new product launches were planned.

He sought to know whether the Company had taken price increases in April.

He wanted to know whether the Company could take price increases for the products whose prices were reduced in July 2014.

He also wanted to know the capital expenditure planned in the next few years and the margins on exports.

He sought to know whether the Company invoiced its exported products in INR or in Euros.

He wanted to know whether the Company planned to give more loans to Shantha Biotechnics for setting up a vaccines facility.

He sought to know whether the Company would benefit by Shantha setting up a facility to manufacture insulins.

He wanted to know how the neutraceutical business was performing and plans for the next few years.

He sought to know the reasons for the increase in expenses in Q4 2014.

He wanted to know whether the Company would increase its payout ratio as it was having surplus cash or whether any acquisitions were planned.

Mr. M. Kotwal

He wanted to know percentage of the domestic portfolio under price control at the end of the last financial year.

He sought to know the manufacturing capacity and capacity utilisation.

He said that there was a sharp increase in finished goods and wanted to know what inference should be drawn.

He wanted to know whether the Sanofi Group would shut down manufacturing facilities in other countries and re-locate them to India.

He sought to know whether export margins were higher than the margins in the domestic market.

He also wanted to know how the neutraceutical business was performing.

Mr. P. K. Agnihotri

He said that the results were not so good as compared to the previous year and wanted to know the prospects in the current year.

He was thankful that the dividend had been maintained.

He was happy with the working of the Company.

He wanted to know whether there was any plan to increase the public holding which he felt was quite low.

He requested that a factory visit be arranged.

He said that he supported all the resolutions.

Mr. Dinesh Bhatia

He suggested that an amount of Rs.1000 be taken from shareholders and they be provided one night's stay. If this was done, only interested shareholders would come for the visit.

Mr. Ronald Fernandes

He said that he had received the Annual report on time.

He requested that a factory visit be arranged by train. The shareholders could be charged for the visit.

He wanted to know how the Company planned to celebrate its diamond jubilee next year.

He said that he supported all the resolutions.

Mr. A. Mascarenhas

He suggested that the Company's product Seacod be given at a discount.

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

- a) No forward looking statements would be made.
- b) Suggestions made by shareholders on AGM venue, time and plant visits would be considered.
- c) Expenses had gone up in the areas of sales and marketing. The Company had invested more money to achieve growth.
- d) The Company had not made any political donations.
- e) Exports were invoiced in Euros.
- f) In Q1 2015, sales had gone up by 10% and profit by 29%
- g) The Company did not have any product in India for orthoarthritis
- h) Institutional business was around Rs.80 crores.
- i) It would not be possible to speculate on the court decision on the price reduction case filed by OPPI.
- j) Three or four new product launches were planned in the current year.
- k) Exports were around 25% of revenue.
- l) After the price reduction, volume growth had been 16% and margin growth was 11%.
- m) Price increases had been taken in April.

- n) It was expected that further price reductions could take place and that Government may come out with a second list but it was not possible to speculate till it actually happened.
- o) The Company would lend a maximum amount of Rs.180 crores to Shantha Biotechnics.
- p) The neutraceutical market was valued at Rs.6000 crores and the Company had a market share of 5%.
- q) 40% of the products were under price control.
- r) Inventories had gone up as a huge consignment of Lantus had arrived in December 2014.
- s) Export growth was expected to be around 13% and export margins were commensurate with that of the domestic business.
- t) Capacity utilisation was between 85% and 100%.
- u) The Company had about 30 employees in Nepal, all of whom were safe. The Sanofi Group had donated medicines and vaccines. The Company's employees would contribute to the Nepal Relief Fund and the Company would make a matching contribution.
- v) The Company had a robust CSR programme and had constituted a CSR Committee, details of which had been given in page 53 of the Annual Report.

The Chairman than put to vote the following resolutions:

8. Dividend

The following Ordinary Resolution was passed with requisite majority:

“RESOLVED THAT an Interim Dividend for the year ended 31st December 2014 of Rs.10 per equity share of Rs.10 paid to the Members whose names appeared on the Register of Members on 1st August 2014 be and the same is hereby approved and confirmed.

RESOLVED FURTHER THAT Final Dividend for the year ended 31st December 2014 of Rs.24 per equity share of Rs.10 and a Special One-time Dividend of Rs.11 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 2015; and
- (ii) those whose names appear as beneficial owners as at the close of business on 17th April 2015, as per details to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited.”

9. Appointment of M/s. S R B C & Co. LLP as Auditors

The following Ordinary Resolution was passed with requisite majority:

“RESOLVED that M/s. S R B C & CO. LLP, Chartered Accountants (Firm Registration No.324982E), the retiring Auditors be re-appointed as Auditors of the Company pursuant to Section 139 of the Companies Act, 2013, (the “Act”), the Companies (Audit and Auditors) Rules, 2014 and such other applicable provisions, if any, of the Act or Rules framed thereunder from the conclusion of this Annual General Meeting till the conclusion of the Sixty-first Annual General Meeting, subject to ratification of their appointment at every Annual General Meeting.

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

10. Appointment of Dr. S. Ayyangar as Director

The following Ordinary Resolution was passed with requisite majority:

“RESOLVED THAT Dr. S. Ayyangar (DIN 00268076) who had been appointed a Director of the Company on 25th October 2005 as a Non-Retiring Director, and who, in terms of the provisions of the Companies Act, 2013, retires by rotation, and who is eligible for appointment and in respect of whom the Company has received a notice, in writing, from a Member under Section 160 of the Companies Act, 2013, signifying his intention to propose Dr. S. Ayyangar as a candidate for the office of Director of the Company, be and is hereby appointed a Director of the Company.”

11. Appointment of Mr. F. Briens as Director

The following Ordinary Resolution was passed with requisite majority:

“RESOLVED THAT Mr. F. Briens (DIN 03472959) who was appointed a Director of the Company with effect from 23rd August 2011 in the casual vacancy caused by the resignation of Mr. F. X. Duhalde and who, in terms of Section 161 of the Companies Act, 2013 holds office upto the date of this Annual General Meeting and who is eligible for appointment and in respect of whom the Company has received a notice, in writing, from a Member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. F. Briens as a candidate for the office of Director of the Company, be and is hereby appointed a Director of the Company.”

12. Approval and ratification of remuneration payable to M/s. N. I. Mehta & Co., Cost Auditors

The following Ordinary Resolution was passed with requisite majority:

“RESOLVED THAT pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment hereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, M/s. N. I. Mehta & Co., Cost Accountants, to conduct the audit of the cost accounts maintained by the Company in respect of bulk drugs and formulations for:

- (a) the financial year ended 31st December 2014; and
- (b) the financial year ending 31st December 2015

be paid remuneration of Rs.3 lakhs and Rs.3.30 lakhs, respectively for the aforesaid financial years, plus service tax and out-of-pocket expenses in performance of their duties.

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

13. Approval of ‘material’ related party transactions

The following Special Resolution was passed with requisite majority:

“RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 and the provisions of Clause 49 VII of the Listing Agreement (including any statutory modification(s) or re-enactment thereof, for the time being in force, approval of the Company be and is hereby accorded to the Board of Directors, entering into contracts / arrangements / transactions with sanofi-aventis Singapore Pte. Ltd., Singapore, a ‘Related Party’ as defined under Section 2(76) of the Companies Act, 2013 and Clause 49 VII of the Listing Agreement for purchase, sale, transfer or receipt of products, goods, active pharmaceutical ingredients, materials, services or other obligations, if any, on such terms and conditions as may be mutually agreed upon between the Company and sanofi-aventis Singapore Pte. Ltd., for an amount not exceeding in aggregate Rs.11,000 million (Rupees Eleven Thousand million only) in each financial year.

RESOLVED FURTHER THAT consent of the Company is accorded for ratification of the aforesaid related party transactions already entered into by the Company exceeding the threshold limits as specified in Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and which are material in nature in terms of Clause 49 of the Listing Agreement.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transactions with the related party, finalise the terms and conditions as

may be considered necessary, expedient or desirable and execute such agreements, documents and writings and to make such filings as may be necessary or desirable, in order to give effect to this Resolution in the best interest of the Company.”

14. The Chairman requested the Members/ proxies who had not yet exercised their right to vote, to cast their votes by filling in the ballot papers which had been distributed to them and insert the same in the ballot boxes.

Annexure: Results of the Electronic voting and poll on the resolutions set out in the Notice dated 9th March 2015 convening the Annual General Meeting.

CHAIRMAN

Results of the electronic voting and poll conducted at the Annual General Meeting held on 29th April 2015 on the resolutions set out in the Notice dated 9th March 2015.

[illegible]

[illegible]

5	Ordinary Resolution - Appointment of Mr. F. Briens as Director	Votes cast in favour	35	1,64,12,775	67	1,09,024	102	1,65,21,799	96.26	Passed with the requisite majority
		Votes cast against	17	6,42,603	2	200	19	6,42,803	3.74	
		Invalid votes	0	0	0	0	0	0	0	
6	Ordinary Resolution - Approval and ratification of remuneration payable to M/s. N. I. Mehta & Co., Cost Auditors	Votes cast in favour	51	1,70,55,178	66	1,08,924	117	1,71,64,102	100	Passed with the requisite majority
		Votes cast against	0	0	3	300	3	300	0	
		Invalid votes	0	0	0	0	0	0	0	
7	Special Resolution - Approval of 'material' related party transactions	Votes cast in favour	48	31,06,677	64	1,03,779	112	32,10,456	99.99	Passed with the requisite majority
		Votes cast against	2	201	2	200	4	401	0.01	

		Invalid votes	0	0	0	0	0	0	0	
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Note : None of the Related parties voted on resolution no. 7.

The Resolutions as set out in item nos. 1 to 7 of the Notice dated 9th March 2015 duly approved by the Members with requisite majority are recorded herein as part of the proceedings of the 59th Annual General Meeting of the Members of the Company held on 29th April 2015.

CHAIRMAN