



11th May 2017

The Secretary
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

The Secretary,
The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra East,
Mumbai 400 050

Scrip Code : 500674

Scrip Code: SANOFI

Annual report for financial year ended 31st December 2016

Dear Sirs

Pursuant to Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Annual Report for the financial year ended 31st December 2016.

The audited financial statements for the said financial year were approved and adopted at the Annual General Meeting of the Company held on 5th May 2017.

Thanking you,

Yours sincerely,
SANOFI INDIA LIMITED


GIRISH TEKCHANDANI
COMPANY SECRETARY

Encl.: a/a



CELEBRATING
THE SPIRIT OF
Sanofi

61ST ANNUAL REPORT 2016
SANOFI INDIA LIMITED

SANOFI 

Foreword





CELEBRATING THE SPIRIT OF *Sanofi*

This year, as your Company celebrates its 61st year, we continue to dedicate ourselves towards providing the best healthcare solutions.

The spirit of Sanofi is the **ambition** to go beyond the ordinary and consistently provide the best healthcare support. The spirit of **compassion** towards patients, helping them fight health challenges. The spirit of **positivity** for a healthy tomorrow. The spirit of **unity** to understand and find solutions to healthcare needs and finally the spirit of **perseverance** to keep going on, reaching higher with a 'never give up' attitude.

It is this spirit of Sanofi that is ingrained in our people who work passionately, every day, as a healthcare partner, keeping the patient at the core of all our actions.

This year, we have used the art of quilling, to create a distinct look in this financial compendium. Quilling is a paper filigree artistry of the Georgian and Regency periods, dating back 100 years, originally used to decorate cards and book covers. This art form involves strips of paper, coiled together, creating a unique design.

This 61st Annual Report is an ode to the coming together of the distinctive spirits that make Sanofi, the Company that cares.

Read on to learn about your Company's accomplishments and performances in 2016.



CELEBRATING THE SPIRIT OF *Ambition*

Fortune favours the bold. Sanofi thrives on the pursuit of being go-getters whilst being ambitious to set great standards in the Indian healthcare segment. With dynamism and zest, we aim to forge ahead to make a qualitative difference in the lives of patients.





CELEBRATING THE SPIRIT OF *Ambition*

“Ambition is enthusiasm with a purpose”

- Frank Tyger

There is no greater purpose than helping people lead a better quality of life. This purpose is the raison d'être of your Company's existence. Sanofi India's ambition is fuelled with the enthusiasm and commitment to provide better treatment options to patients, medicines of excellent quality and to convey scientific knowledge more efficiently to doctors - our customers.

Furthermore, your Company has aligned itself with India's healthcare needs and thus, embodies the spirit of a much larger ambition for the future of our country's health.

‘Small’ is the next ‘BIG’- Reinventing convenience for patients

Patients are at the centre of everything that your Company does. Sanofi India has set a milestone with the launch of **Allegra® reduced mass tablets (RMT)**. For the first time Allegra® (120/180 mg) is now being presented to healthcare practitioners in India in a size that is 40% smaller than before. Now, Allegra® RMT is both lighter and smaller than it was before, making it more convenient for patients.

These tablets of 120 mg and 180 mg are now far more customer-friendly, making it easier to swallow, particularly for women and the elderly.

The ambition of your Company is thus to benefit people through innovation.

DePURA™ Kids - The new age sunshine for kids

Vitamin D deficiency is widespread in India leading to a need for aggressive supplementation amongst infants up to the first twelve months. Vitamin D deficiency could lead to bone pain and muscle weakness amongst other serious illnesses.

With expertise in the consumer healthcare segment, your Company identified an opportunity and entered the ‘sunshine’ market of vitamins and mineral supplements. Sanofi India launched DePURA™ Kids, India's first paediatric Vitamin D formulation.

There are several Vitamin D formulations in India, but DePURA™ outshines the others with its unique Aqueol Nano technology that facilitates better absorption, bioavailability and compliance.





Social Media Connect - Collective learning for Cardiologists

In an era of information overload and shortage of specialists, doctors are hard-pressed to spend quality time with patients and also catch-up on the latest developments in their field. So, Sanofi India devised and delivered scientific content to reach over 1,35,000 doctors in India via a microsite - **CardioConnect**.

Your Company posts live case studies, latest updates and articles on cardiovascular diseases and exclusive video interviews with renowned cardiologists.

CardioConnect has very quickly become a popular platform for practicing cardiologists who exchange information and learning with their peers, thereby helping them upgrade their knowledge and skills to have even better medical outcomes.



Making India future-ready

With an aim to promote academic excellence and research in pharmaceuticals and consumer healthcare products, your Company has signed a Memorandum of Understanding (MoU) with the National Institute of Pharmaceutical Education and Research (NIPER), Kolkata.

Sanofi India will assist NIPER Kolkata to foster students who are ready to enter the pharmaceutical industry. Your Company will provide NIPER Kolkata's MS/Ph.D students with opportunities at manufacturing sites for internship or project work, ensure association of R&D heads with dissertation work, provide career growth opportunities and undertake collaborative research activities in identified areas.

This partnership represents a new era of academic-industry collaboration for capacity building and will go a long way in meeting India's healthcare challenges in the future.





CELEBRATING THE SPIRIT OF *Compassion*

Compassion is passion at its positive best. Through various CSR, HR and Employee initiatives, it is our own special way to give back to the community. It is our medium to keep us connected to the outer world whilst keeping us close to the values and ethos we so strongly believe in.





CELEBRATING THE SPIRIT OF *Compassion*

***“If you want others to be happy, practice compassion.
If you want to be happy, practice compassion”***

- Dalai Lama

Life is a hard battle and the compassion and empathy that every employee at your Company feels for patients, motivates them to continually make efforts in helping patients fight their health challenges, whether lifelong or transitory.

Piloting diabetes care in rural Pune

India has far too many people with diabetes, several of whom reside in rural areas without adequate access to primary healthcare.

In 2016, your Company piloted an initiative for diabetes management called ‘Diabetes with Dignity’ to empower community health workers in rural areas near Baramati in Pune district.

This initiative, in partnership with Chellaram Diabetes Institute and the Public Health Foundation of India, is actually a study on the impact of intervention via ASHA (Accredited Social Health Activists in the villages) workers who identify and screen adults for diabetes and to refer people with high risk to an Auxiliary Nurse Midwife (ANM) at public health centres.

When the study is completed, it will help channelise compassion into joint action by stakeholders to truly benefit rural communities, helping them exercise their right to healthcare.



Team Ankleshwar shows the eco-friendly way

A conscious effort to care for the environment reaps resounding results! This was demonstrated effectively by your Company’s chemical plant at Ankleshwar. The waste water treatment was posing several challenges like frequent down time, production delays, and high steam and energy consumption, leading to increased costs. The team at the manufacturing plant took charge and effectively solved the problem by redesigning the system. Now, they have successfully managed to lower the operating cost and also reduce the environmental impact.

The efforts and results were well recognised, with the second place award in the category of ‘Energy and Environment’ at a felicitation event by the parent company in Paris.





Goa sets a cool example

Caring for the environment and its resources is the mark of a progressive organisation; and when it is used to manage problems like water paucity, it brings in gains.

Saving natural resources like water is an essential act that every corporate and individual is responsible for. This consciousness is yet to awaken in many. Your Company though, has conceptualised and implemented 'rain water harvesting' in its facilities at Goa. The project to collect rainwater, which was stored in a collection pit with a capacity of three lakh litres, was able to harvest almost nine lakh litres of rainwater in two months - all of which is being used in the cooling towers.

Workmen and employees volunteered to plant over 1,000 saplings at the Goa Pharma Site and around 120 plants at the Goa Development Centre.

By harvesting rainwater and saving natural resources, your Company's Goa site has set an example for others to follow.

Breast self-exam: detect & protect

Anybody who succumbs to their illness due to lack of awareness or delayed diagnosis, is a life unnecessarily lost.

Your Company partnered with the Breast Health Committee of The Federation of Gynecological and Obstetric Societies of India (FOGSI) to jointly conduct seven *Breast Disease Understanding and Diagnosis* meetings with gynaecologists and surgeons across the country.

Keeping this momentum, there are further plans to reach out to many more doctors and thus, help benefit more women by reducing their pain and suffering.



Giving to receive joy

“No one has ever become poor by giving” - Anne Frank

Compassion is finding joy in giving to others; such is the spirit of **Daan Utsav** - the ‘Festival of Giving’. Your Company has been celebrating Daan Utsav for several years now, and each year the celebration has grown manifold. In 2016 too, your Company’s employees once again demonstrated their generosity and compassion by contributing over Rs. two lakh for various NGOs.

WISH TREE

Employees contributed whole-heartedly to fulfill the wishes of terminally ill children via ‘Make-a-Wish’ Foundation.

ANNA DAAN

Employees donated rice and cereal for children through ‘Jeevan Asha’.

VIDYA DAAN

‘Child Help Foundation’ benefitted by a voluminous donation of books and stationery.





SOUL CURRY

While some of your Company's employees donned the Master Chef hat and made lots of goodies at home, others contributed generously because the proceeds were going to the special children of 'Muskaan Foundation'.

NGO MELA

12 NGOs sold diyas, paper bags, quilts and home décor. This was the only excuse our employees needed, to contribute to their sales in large numbers.



ANTARCHAKSHU

While Daan Utsav is about 'giving' it's also about 'receiving'. St. Xavier's Centre for the visually challenged creatively conducts workshops for people to experience the challenges and tackling tactics of people who cannot see. This sensitisation session was very useful because for the first time, our employees who participated could truly empathise and also, admire the courage it takes to go through a lifetime of living in darkness.







CELEBRATING THE SPIRIT OF *Positivity*

A positive thinker can make the 'impossible' 'possible'. A realistic and optimistic approach can overcome every difficulty and challenge. When faced with roadblocks, a positive attitude can overpower every hurdle. At Sanofi, we ensure positivity in every endeavour, as we believe you can win minds with great services, but with right care you can win hearts.

CELEBRATING THE SPIRIT OF *Positivity*

"In order to carry a positive action we must develop here a positive vision"

- Dalai Lama

Positivity is to believe, expect and hope that things in life will turn out well. It leads to both success and happiness. Positivity is a distinctive feature of your Company which never gives up! In the context of a changing world, we face far greater health challenges. With its products and awareness initiatives, your Company works tirelessly and with positivity to improve people's health and quality of life.

Going all out to win against counterfeit medicines

Counterfeit medicine is essentially medicine that may be contaminated, may contain the wrong ingredients or even no active ingredients. They are illegal and may be harmful to your health. Counterfeit medicines are a major barrier in one's pursuit of good health and will require an indomitable positive effort to combat.

To spread awareness about this issue, your Company together with the Organisation of Pharmaceutical Producers of India (OPPI) conducted the first 'Anti-counterfeiting Webinar'. A large gathering of more than 600 senior decision makers and key officials from 46 leading hospitals participated. The programme was webcast from Sanofi House - our head office in Mumbai.

The educational webcast was for healthcare professionals, on the dangers posed by counterfeit medicines and the measures one could take to curb by uprooting it and promoting improved public health. This awareness effort was very well received and has garnered the support of all involved to collectively fight the threat of counterfeit medicines.

Choice of medicine makes a big difference

The cost of medicines is often equated with the cost of treatment. Medicines, however, are only one component of medical expenses. Majority of the remaining component includes consultation, diagnostic tests and hospitalisation. Medicines can effectively reduce the total cost of treatment by hastening recovery and reducing hospital stay.

A study was conducted across five countries, involving your Company's drug - Enterogermina®, which is used in the treatment of diarrhoea. The study showed how the use of Enterogermina® brought down the cost of treatment and improved both clinical and financial outcomes for the cases.

This data was also presented to the health officials of Mumbai Municipal Corporation with the intent to extend findings and benefits locally. Your Company continues to bring positivity and hope in people's lives through high quality medicines that can help reduce overall cost of treatment.



Helping hospitals avoid medication errors

Medication errors pose a serious problem and occur in clinical practices all over the world. These could lead to longer hospital stays, higher cost of treatment, morbidity and even, mortality.

To avoid errors that can harm patients, your Company has taken on the responsibility of training healthcare professionals in hospitals across India. In 2016, a little over 700 healthcare professionals including doctors, pharmacists and nurses received training on different types of errors like prescription errors, dispensing errors, administration errors, monitoring errors, etc.

By training hospital staff and other healthcare professionals, your Company continues to bring positive hope to patients by helping reduce medication errors.



The gift of life, after life: promoting organ donation

The transplant law in India encourages a person to donate organs to blood relatives. Almost 89% of transplants in India are from living donors to blood relatives. Cadaver transplant - from deceased donor accounts to a mere 11%.

With an aim to promote cadaver donations in the country, your Company conducts awareness activities, interacts with policy makers and lawyers, NGOs, Critical Care Society, Association of Hospital Administration, Heads of Private and Public hospitals and trains ICU physicians and trauma counsellors. Your Company is today a knowledge partner for the National Convention of Medicine and Law and has conducted 10 workshops and a webinar with almost 1100 participants to spread better awareness on this subject.

Sanofi India continues to be ever optimistic in its endeavour to spread awareness for increasing organ donation – to gift life, after life.







CELEBRATING
THE SPIRIT OF
Unity

United we stand, divided we fall. At Sanofi, the feeling of oneness and belonging flows through the heart of every employee. With engagement activities and harmonious employee to employee relationships, we truly believe only when there is unity we can walk on the path towards victory.



CELEBRATING THE SPIRIT OF *Unity*



“Unity is strength. When there is teamwork and collaboration, wonderful things can be achieved”

- Mattie Stepanek

Unity is a vital element for success. It creates better dynamics, encourages people to perform at top levels and creates solidarity and loyalty. Your Company’s employees work passionately every day, to understand and solve the healthcare needs of people.

Recognising the stalwarts that stood by Sanofi

In an era where frequent job changes do not raise any eyebrows, your Company is honoured by the men and women who have remained loyal and committed for over three decades.

57 employees, true ambassadors of the culture and values of your Company were celebrated for their contribution to the company’s growth. The stalwarts came from diverse functions all across the country to be honoured by Dr. Shailesh Ayyangar and the leadership team. They interacted with the millennials who were inspired by the strong passion and enthusiasm that each one of them retains even today. Everyone, including Dr. Ayyangar were moved by their commitment, and honoured each one of the stalwarts for their devoted services over the years.

A sense of belonging, oneness and unity – that’s what brings out the best in your Company!



Strength in diversity: celebrating women power!

Gender diversity is well proven to be incrementally beneficial for business. Over several years now Sanofi India has evolved in its understanding of gender balance. From appreciation cards on Women's Day, to creating a work environment that is more conducive for women to thrive in, build careers and contribute significantly to the organisation's growth, Sanofi India has come a long way.

Moreover, women have a strong presence in healthcare - as doctors, nurses and patients. But the customer-facing executives of the pharmaceutical industry - the Sales Force, are overwhelmingly male.

Two years ago, your Company took the initiative to increase the strength of women employees across the organisation. Indeed, a more inclusive approach at work creates an atmosphere for excellence, and helps organisations establish new benchmarks.



Sanofi's diversity programme has several components like:

- ★ Speed networking sessions for women
- ★ Self-defense workshops
- ★ In-depth focus on recruitment of women in sales teams
- ★ Driving cultural change through 'Gender Sensitisation' workshops
- ★ Development programmes for women colleagues
- ★ Reaching out to campuses to attract female talent at entry levels
- ★ Introducing security helpline for women's safety
- ★ Revision of Maternal leave, including adoption up to 6 months.

The continued efforts and the ongoing initiatives are making a positive impact in your Company. In fact, your Company's leadership stands united when it comes to appreciating the value women bring to an organisation and recognising the importance of gender diversity!







CELEBRATING THE SPIRIT OF *Perseverance*

Persistence guarantees that the results are inevitable. A definitive vision along with the drive to perform is what makes Sanofi the great achievers that they are. Always on the forefront to give the patients the best, they have etched a mark for themselves.

CELEBRATING THE SPIRIT OF *Perseverance*

*“Perseverance is not a long race;
it is many short races one after the other”*

- Walter Elliot

Perseverance is setting the right goal, having the right mindset and doing the right things habitually. It is a combination of mindset and discipline. Your Company has been India's trusted healthcare partner since 1956. With over 61 years of unwavering commitment towards the health of people, your Company's medicines have reached over one billion people in 29 states and 7 union territories. The honours and recognition received are a testimonial of your Company's perseverance and 'never give up' attitude.

A Merit for the meritorious

On behalf of the President of the French Republic, H.E. Mr. Alexandre Ziegler, Ambassador of France to India, conferred the prestigious *Officier de l'Ordre national du Merite* (**Officer in the National Order of Merit**) upon Dr. Shailesh Ayyangar, Managing Director - India and Vice President - South Asia, Sanofi.

Dr. Ayyangar received the recognition for his 'distinguished merit' and outstanding achievements in the field of business and his contributions to Indo-French relations.

Excellence in diabetes management

One in 5 Indians suffer from diabetes, according to the latest National Family Health Survey-4 (NFHS) conducted across India. So clearly, there is an urgent need for a structured approach that helps people fight this disease!

Your Company won the 'CIMS Healthcare Excellence Award' in the category of '**Company of the Year**' in the **Diabetes Drug Portfolio**. The award was in recognition for the diverse range of products and integrated care initiatives implemented to address patient needs at different stages of disease management.

The award is a tribute to your Company's patient-centric approach. Over the years, we have built strong programmes to empower patients:

- Saath7 - Sanofi India's pioneering Patient Support Programme (PSP)
- Diabetes with Dignity - An initiative to improve diabetes management in rural areas by empowering community health workers
- Kids and Diabetes in School (KiDS) - A diabetes awareness project for schools



Focussed to be the best

The Economic Times recognised your Company as one of India's **'Best Healthcare Brands 2016'** in the pharmaceutical sector.

This honour was received from Shri. J. P. Nadda - Union Minister of Health & Family Welfare, Government of India, Dr. Soumya Swaminathan - Director General of the Indian Council of Medical Research (ICMR) and Dr.(Prof.) Jagdish Prasad - Director General of Health Services in New Delhi.

Your Company's selection for this honour was the result of a survey conducted by MRSS in major cities of India on key parameters like Research & Development, Quality of Service, Product Portfolio and Consumer Satisfaction amongst others.





Committed in supplying new opportunities



Your Company's Supply Chain division bagged a prestigious award for **'Robust Supply Management and Logistics'** at The Economic Times Supply Chain Management Summit in Mumbai.

This recognition is a tribute to your Company's focus on customer service and commitment to supply chain management.



OPPItimism Shines!

Your Company was in the limelight at the Annual General Meeting of the **Organisation of Pharmaceutical Producers of India (OPPI)**.



-  DePURA™ - The dependable Vitamin D product won the **'H. R. Nanji Memorial Award'** for Marketing Excellence
-  Shubb Labh - Consumer Healthcare's wholesale partnership initiative bagged the award for the **'Best Trade Activation Program'**





Two sweet wins!

Your Company's Diabetes division won two prestigious awards at the **3rd Annual AWACS Awards for Marketing Excellence** held at the Nehru Centre in Mumbai.

-  LANTUS® won the Brand of the Year - '**GOLD**' Award for Marketing Excellence
-  For the second year in a row, Amit Gautam won the Dr. Tarun Gupta '**Numero Uno Young Marketer Award**' for Diabetes





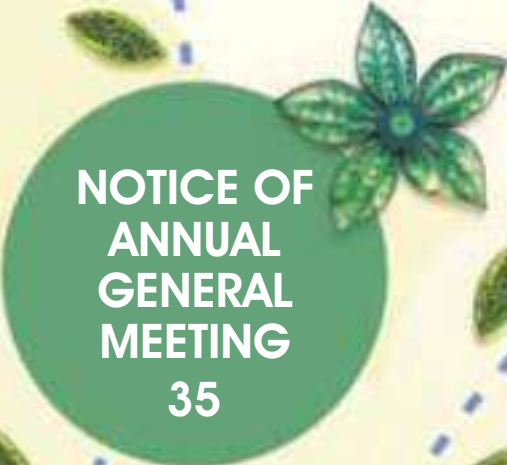
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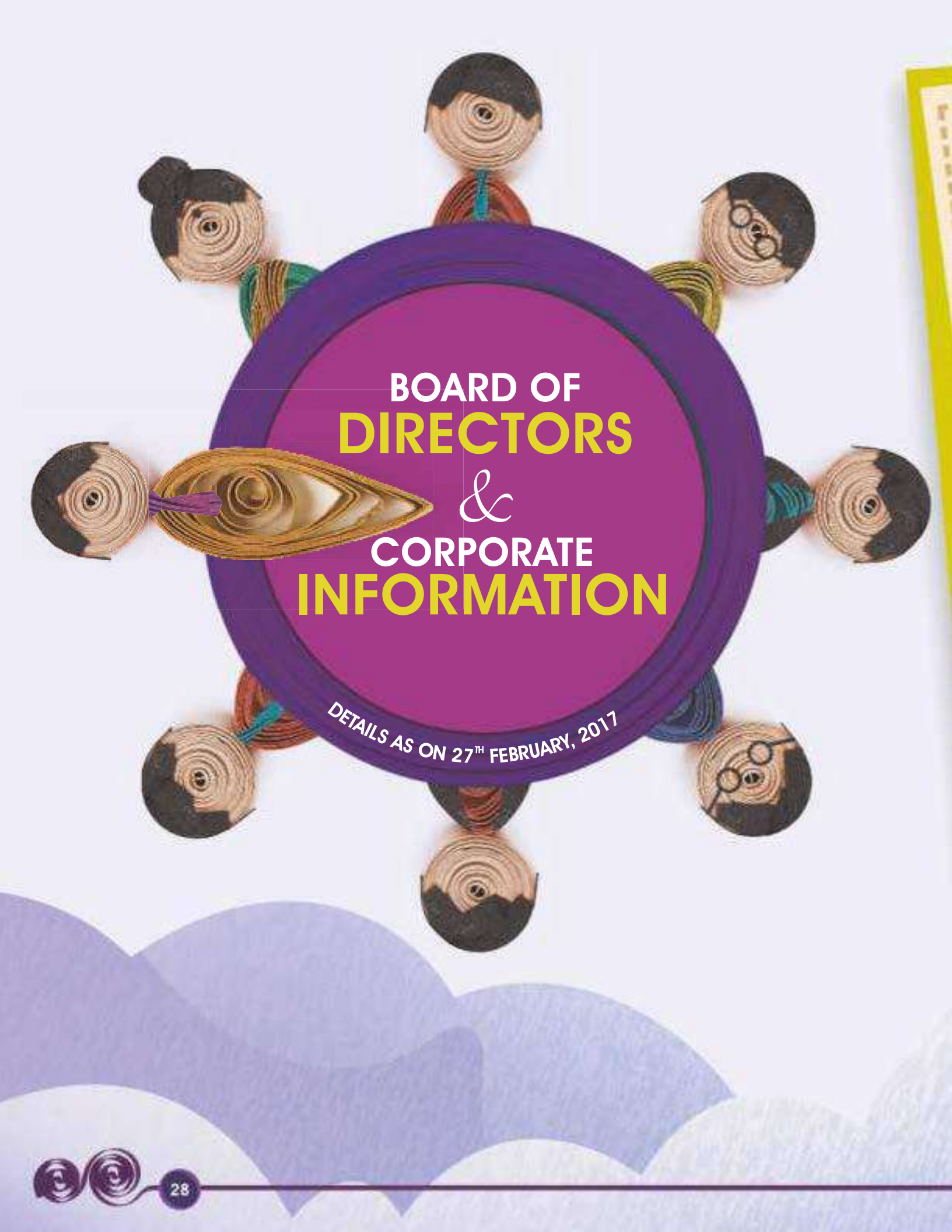
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**BOARD OF
DIRECTORS**
&
**CORPORATE
INFORMATION**

DETAILS AS ON 27TH FEBRUARY, 2017

● **Mr. Aditya Narayan**
Chairman

● **Dr. Shailesh Ayyangar**
Managing Director

● **Mr. A. K. R. Nedungadi**
Independent Director

● **Mr. Rangaswamy R. Iyer**
Independent Director

● **Mr. Subhash R. Gupte**
Independent Director

● **Ms. Usha Thorat**
Independent Director

● ● **Mr. Girish Tekchandani**
Company Secretary

● ● **Registered Office**
Sanofi House, CTS No. 117-B
L&T Business Park
Saki Vihar Road
Powai, Mumbai 400072

● ● **Manufacturing Sites**
3501-15, 6310, B-14
GIDC Estate
Ankleshwar 393002

● ● **Auditors**
SRBC & Co, LLP

● **Mr. Cyril Grandchamp Desraux**
Non-Executive Director

● **Mr. Francois Briens**
Non-Executive Director

● **Mr. Thomas Rouckout**
Non-Executive Director

● **Mr. Ashwani Sood**
Whole Time Director

● **Mr. Lionel Guerin**
Whole Time Director &
Chief Financial Officer

● **Mr. Rajaram Narayanan**
Whole Time Director

● ● **Registrar and Transfer Agents**
Link Intime India Private Limited
C 101, 247 Park, L B S Marg
Vikhroli West, Mumbai 400083

GIDC, Plot No. L-121 Phase III
Verna Industrial Estate
Verna, Goa 403722

61st Annual General Meeting
Friday, 5th May, 2017 at 3.00 p.m

Venue: Y. B. Chavan Centre - Auditorium, Gen. J. Bhosale Marg, Mumbai 400021





MANAGING DIRECTOR'S *Message*



Dear Shareholders,

2016 was a year of political and socio-economic events across the world. The Brexit referendum in UK, the presidential elections in the US and the migration of refugees from war-torn nations are just some of these events. The world's healthcare environment remained challenging with many medicines going off-patent. The regulatory and access to innovative medicines remained as major stumbling blocks for the Pharmaceutical industry.

In India, the unexpected announcement of demonetization in November 2016 showed Government's seriousness in tackling the menace of parallel economy. The new wave of 'Digital India' is catching up across the country. In the Pharmaceutical sector, increasing number of medicines that now fall under market based price controls is a challenge for the industry – nearly 650 formulations are currently in this bracket, contributing to nearly 20% of the total market. Some of the industry's continuing challenges in 2016 include low government spending on healthcare, fewer healthcare professionals in relation to the burgeoning population, low insurance coverage, and higher private spend on healthcare.

The Pharma industry grew at 11% for the year of 2016. The demand for pharmaceutical products has been buoyant owing to the growing disease burden aggravated by changing lifestyle, increasing affordability and patient awareness, launch of newer therapies and improved access to medical infrastructure.


Despite many challenges, your Company delivered double digit revenue growth in the year gone by. This performance, while absorbing drastic price cuts, was possible because of a very dedicated and enthusiastic team effort by your Company's employees.


This coupled with strong manufacturing capabilities delivering high quality products, steadily growing exports business and many patient centric initiatives have played a vital role in surpassing our financial objectives for the year.

For over 60 years, your Company has strived to transform innovations into solutions that empower people to enjoy a healthier life, every day. Being a healthcare partner to doctors and patients, your Company as always, keeps the interests of patients at the centre of all actions. Every day, we endeavour to honour our assurance of making high quality medicines available in every part of our country, and at affordable prices.

Your Company has nurtured a robust and diversified product portfolio and services - Diabetes & Cardiovascular Diseases, Consumer Healthcare, Central Nervous System, Thrombosis, Anti-infectives, to name a few. You will be proud to know that five of your Company's brands – Lantus®, Combiflam®, Allegra®, Clexane® and Amaryl® M, are featured in the top 100 brands of the Indian Pharmaceutical Market. In addition, the Company's export sales soared to a new high, with products reaching to patients in 48 countries. All these have helped your Company deliver healthy growth in sales and profits in the year gone by.

Working with the Society:

 In 2016, Sanofi India continued to strengthen its position in diabetes through innovative partnerships, healthcare access initiatives and patient support programme. As part of its CSR initiatives - from urban population to rural, and to school children - your Company reaches out to people in all spheres. 'Saath7', which is one of India's longest running and largest Patient Support Programmes has reached out to over 2,50,000 patients ever since its launch in 2006. In rural Maharashtra, your Company has piloted 'Diabetes with Dignity', an initiative that empowers community health workers, for better management of diabetes. To foster an environment for better understanding of diabetes amongst students and teachers, the school education programme 'Kids and Diabetes in Schools' (KiDS) has trained over 4000 teachers and 33,000 students, since its inception in 2013.

 As we grow our business and work towards shaping the fabric of healthcare in India, your Company is building programmes over the years to help people and to give back to the society. Your Company has a Public Private Partnership (PPP) with the Government of Maharashtra to build capacity of healthcare personnel in 35 districts, and upgrade their skills in the management of diabetes, cardiovascular diseases, hypertension and cancer. Since 2014, this programme has expanded from 6 districts to 17 districts, reaching out to over 20 million people. Your Company has also monitored the health of children in collaboration with Voluntary Health Association of Goa along with the Directorate of Health Services under the Rashtriya Bal Swasthya Karyakarm, reaching out to over 17,000 children since 2011. Sanofi India also provides 10 working hours each year, to each of its employees to volunteer and give their time, skills and effort for the betterment of the communities.

Your Company aspires to be the most admired healthcare company in India - focused on patient's health. With innovative and progressive policies to enhance gender diversity, your Company provides an invigorating environment for all employees to shape their careers and reach their full potential. With a growing reputation of being a value driven ethical healthcare company, your Company is enthusiastic about partnering with various stakeholders in building a Healthy India. In the industry, your Company continues to play the leadership role at Organisation of Pharmaceutical Producers of India (OPPI) and is fully committed to working with our Government and all other stakeholders to ensure that healthcare for all becomes a reality in the coming years.

Your Company also remains committed to adhering to compliant behaviour and uniform code of marketing practices that ultimately helps protect patient safety and ensures the proper use of medicines.

Each year our endeavour is to do better than the last year. With the support of our shareholders and our dedicated workforce, we will continue to work for better health for the people of our country.

I take this opportunity to thank every stakeholder for your continued support and belief in us. I extend my heartfelt gratitude to every member of the Company who stood by us in times of difficulty and in times of success.

Yours sincerely,

Shailesh Ayyangar



Crafting

GROWTH



(Rs. in Million)

Financial Summary

For last 5 years

SALES, PROFIT & DIVIDEND	2016	2015¹	2014¹	2013¹	2012
Sales (Gross)	22,573	20,991	19,230	17,524	15,336
Profit before Depreciation Interest & Tax (PBDIT)	5,989	5,105	4,032	4,558	3,530
Profit before Interest & Tax (PBIT)	4,676	3,975	3,065	3,635	2,631
Profit before Tax (PBT)	4,661	3,971	3,061	3,631	2,617
Profit after Tax (PAT)	2,970	2,377	1,971	2,398	1,767
Dividend (Amount)	1,567	1,497	1,036	1,036	760
Rate (Rs. per share)	68	65 ²	45 ³	45	33
SHARE CAPITAL & CAPITAL EMPLOYED	2016	2015¹	2014¹	2013¹	2012
Share Capital	230	230	230	230	230
Shareholders' Funds ⁴	17,356	16,271	14,858	13,467	12,041
Capital Employed ⁴	17,356	16,271	14,858	13,467	12,041
Represented by: Fixed Assets (net) & Investments ⁴	8,436	8,994	8,585	8,350	7,432
Net Current & Other Assets	8,920	7,277	6,273	5,117	4,609
RETURN	2016	2015¹	2014¹	2013¹	2012
On Sales (PBT) %	20.6%	18.9%	15.9%	20.7%	17.1%
On Capital Employed (PBIT) %	26.9%	24.4%	20.6%	27.0%	21.9%
On Shareholders' Funds (PAT) %	17.1%	14.6%	13.3%	17.8%	14.7%
Per Share (PAT) Rs.	129.13	103.18	85.56	104.12	76.71
Personnel Cost	3,592	3,333	2,882	2,421	2,136
No. of Employees	3,623	3,663	3,448	3,291	3,164

1. Figures excludes the impact of exceptional item

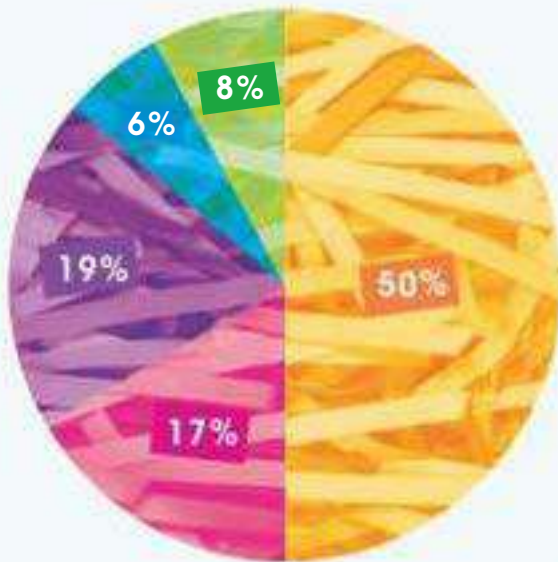
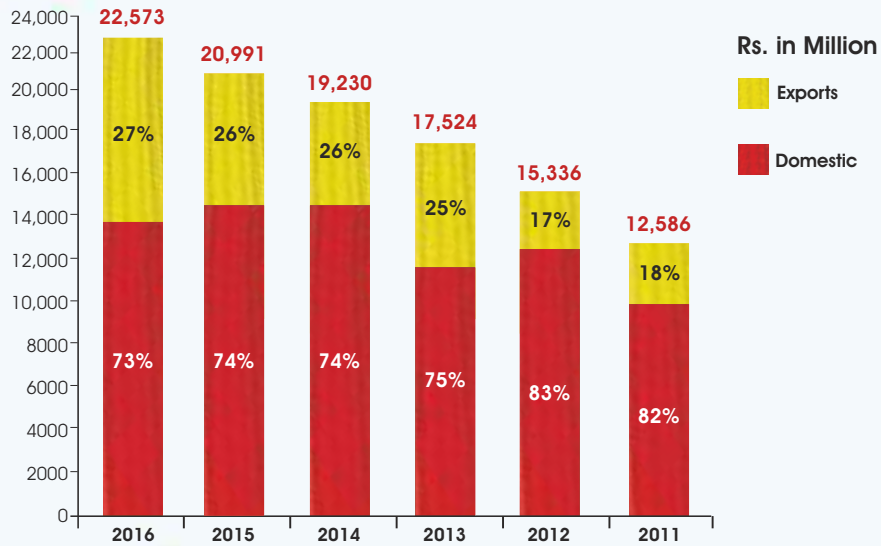
2. Includes special dividend of Rs. 14 and diamond jubilee dividend 8 per share

3. Includes special dividend of Rs. 11 per share

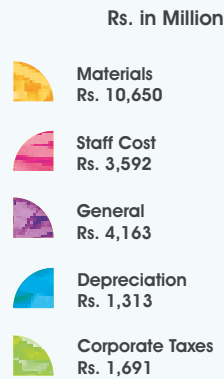
4. Includes revaluation of fixed assets since 1986

Financial SUMMARY

SALES

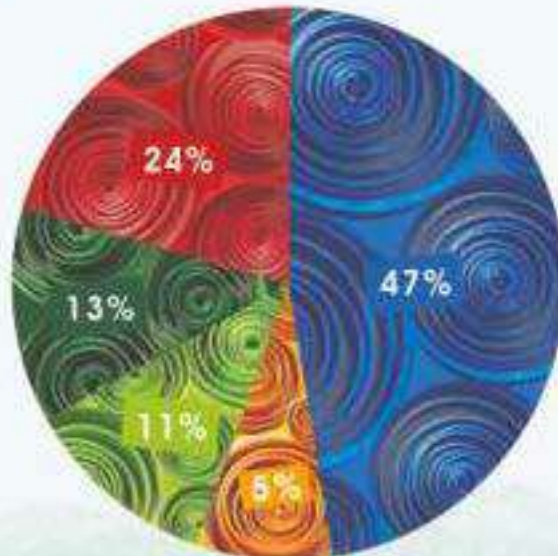


DISTRIBUTION OF REVENUE FOR 2016



CONTRIBUTION TO THE NATIONAL EXCHEQUER FOR 2016

Rs. in Million





NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixty-first Annual General Meeting of Sanofi India Limited will be held on Friday, 5th May 2017 at 3.00 p.m. at Y. B. Chavan Centre - Auditorium, Gen J. Bhosale Marg, near Sachivalaya Gymkhana, Nariman Point, Mumbai - 400021 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the financial statements of the Company for the year ended 31st December 2016 including the audited Balance Sheet as on 31st December 2016 and the statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To confirm the payment of Interim Dividend and to declare Final Dividend on equity shares for the financial year ended 31st December 2016.
3. To re-appoint Mr. Lionel Guerin (DIN 07232453) as Director, who retires by rotation and being eligible, offers himself for re-appointment.
4. To resolve not to fill the vacancy for the time being in the Board, caused by the retirement of Mr. Francois Briens (DIN 03472959), who retires by rotation and does not seek re-appointment.
5. To appoint M/s. Price Waterhouse & Co. Chartered Accountants LLP (Firm Registration Number 304026E / E300009), as Statutory Auditors of the Company in place of M/s. S R B C & CO. LLP, Chartered Accountants, (Firm Registration No. 324982E), the retiring Statutory Auditors, to hold office from the conclusion of the Sixty-first Annual General Meeting, until the conclusion of the Sixty-sixth Annual General Meeting, subject to ratification at every Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Cyril Grandchamp-Desraux (DIN 07719763) who was appointed as an Additional Director by the Board of Directors under Section 161 of the Companies Act, 2013 (the Act) with effect from 27th February 2017 and who holds office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose term of office shall be liable to retire by rotation."
7. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Thomas Rouckout (DIN 07724517) who was appointed as an Additional Director by the Board of Directors under Section 161 of the Companies Act, 2013 (the Act) with effect from 27th February 2017 and who holds office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose term of office shall be liable to retire by rotation."
8. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), approval of the Company be and is hereby accorded to the Board of Directors for 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 Listing Regulations 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. 20,000 million (Rupees twenty thousand million only) in each financial year.

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."





9. To consider, and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:
- "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 thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, M/s. D. C. Dave & Co., Cost Accountants, to conduct the audit of the cost accounts maintained by the Company in respect of bulk drugs and formulations for the financial year ending 31st December 2017 be paid remuneration of Rs. 346,500 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."

By Order of the Board

GIRISH TEKCHANDANI
COMPANY SECRETARY

27th February 2017

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF / ITSELF AND THE PROXY NEED NOT BE A MEMBER.

Proxy form has been provided in the Annual Report.

A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and same person shall not act as Proxy for any other person or shareholder.

The instrument appointing the Proxy, duly completed and signed, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A Proxy does not have the right to speak at the Meeting and can vote only on a poll.

2. The Explanatory Statement pursuant to Section 102(1) of the Act with respect to item nos. 6 to 9 of the Notice is annexed hereto and forms part of this Notice.
3. The Register of Members of the Company shall remain closed from the 27th April 2017 to the 5th May 2017 (both days inclusive).
4. Payment of dividend as recommended by the Directors, if approved at the Meeting, will be made to those members whose names are on the Company's Register of Members on 5th May 2017 and those whose names appear as Beneficial Owners as at the close of the business hours on 26th April 2017 as per the details to be furnished by the Depositories, viz. National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
5. (i) The Company has transferred all unclaimed dividends up to the financial year ended 31st March 1995 to the General Revenue Account of the Central Government as required under Section 205A of the Companies Act, 1956. Members who have not encashed their dividend warrants for the said years are requested to claim the amount from the Registrar of Companies, Mumbai, Maharashtra.
- (ii) Pursuant to Section 205A and 205C of the Companies Act, 1956, unclaimed dividends up to the Interim Dividend for the year ended 31st December 2009 have been transferred to the Investor Education and Protection Fund (IEPF).

Members who have not encashed their dividend warrants towards the Final Dividend for the year ended 31st December 2009 or thereafter are requested to write to the Company's Registrars and Transfer Agents.

Members are requested to note that the Final Dividend for the year ended 31st December 2009 declared at the Annual General Meeting held in April 2010 is due to be transferred to the IEPF in June 2017.





6. Members seeking clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the date of the Meeting. This would enable the Company to compile the information and provide replies at the Meeting.
7. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is pleased to offer e-voting facility which will enable the members to cast their votes electronically on all the resolutions set out in the Notice. Please refer to the below instructions and general instructions relating to voting through electronic means which are being sent along with the Annual Report.

E-voting Facility:

The instructions for shareholders voting electronically are as under:

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For members holding shares in demat form and physical form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the default PAN which is printed on the e-voting slip.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for Sanofi India Limited.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.





- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xx) For any grievances connected with facility for e-voting members may contact:
Mr. Girish Tekchandani, Company Secretary
Address: Sanofi House, CTS No.117-B, L&T Business Park, Saki Vihar Road, Powai, Mumbai 400 072, India
Tel: (022) 28032000 Email: igr.sil@sanofi.com.
8. Pursuant to Section 107 of the Act read with Rule 20 the Companies (Management and Administration) Rules, 2014, there will not be any voting by show of hands on any of the agenda items at the Meeting and the Company will conduct polling at the meeting.
9. The Board of Directors has appointed Mr. S. N. Ananthasubramanian, Practising Company Secretary (FCS 4206, CP 1774), or failing him, Ms. Malati Kumar, Practising Company Secretary (ACS 5508, CP 10980) as Scrutinizer for conducting the voting process in a fair and transparent manner.
10. The Scrutinizer shall submit his report, to the Chairman / Managing Director, on the votes cast in favour or against, if any, within a period of three working days from the date of conclusion of the e-voting period.
11. The results declared along with the Consolidated Scrutinizer's report shall be placed on the website of the Company www.sanofiindialtd.com. The results shall simultaneously be communicated to the Stock Exchanges.
12. Please refer attendance slip for route map giving directions to the venue of the meeting.
13. Members/Proxies are requested to bring the attendance slip along with their copy of the Annual Report to the Meeting.
14. Members holding shares in physical form are requested to notify/send the following to the Company's Registrar and Transfer Agents to facilitate better service:
- a. Any change in their address
 - b. Particulars of their bank accounts in case the same have not been sent earlier, for dividend payment through ECS mode and





- c. Share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of the names for consolidation of such holdings into one account.
15. Members holding shares in electronic form are advised that address/bank details as furnished to the Company by the respective Depositories, viz. National Security Depository Limited and Central Depository Services (India) Limited will be printed on the dividend payment instrument. Members are requested to inform the concerned Depository Participants of any change in address, dividend mandate, etc.
 16. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Act, are requested to submit details to the Registrar and Transfer Agents of the Company, in the prescribed Form SH. 13 for this purpose.
 17. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses with the Company's Registrar and Transfer Agents for receiving communication from the Company in electronic form.
 18. As required under Regulation 36(3) of the Listing Regulations, the particulars of Directors who are proposed to be appointed are given below.

Agenda item No.	3
Name	Mr. Lionel Guerin
Age	44 years
Qualifications	Master of Business Administration (MIT Sloan School of Management, USA) Master's Degree in Management (EDHEC, France) BA in Economics (Lille University, France)
Brief profile including expertise	Mr. Guerin started his career with the Saint-Gobain Group in 1997. He was first Controller of a glass plant in France, then was appointed Chief Financial Officer of Saint-Gobain's glass processing subsidiary in Poland and later on Chief Financial Officer of Saint-Gobain Group for Poland, Russia, Ukraine, Kazakhstan and Belarus. Before joining the Company as its Chief Financial Officer in July 2015, Mr. Guerin was the Chief Financial Officer of Sanofi Poland. He was appointed on the Board as Alternate Director to Mr. Francois Briens from 21st October 2015 to 1st June 2016. He was also appointed as Whole Time Director with effect from 21st October 2015. The expertise of Mr. Guerin includes Controlling and Finance.
Directorships in other listed companies in India	None
Committee memberships	He is member of Stakeholders Relationship Committee of the Company.
Relationship with other Directors and KMP	None
Shareholding in Sanofi India Limited	Nil
Attendance in the meetings in the last financial year	Disclosed in the Corporate Governance section





Agenda item No.	6
Name	Mr. Cyril Grandchamp-Desraux
Age	40 years
Qualifications	Doctorate in Pharmacy with a major in biotechnology Master's degree in Health Economics
Brief profile including expertise	<p>Mr. Grandchamp-Desraux joined Sanofi in 2002, after starting his career as sell-side financial analyst in Natixis. He held successive positions at the Headquarter in Paris as Business Control & Support Manager for Global Commercial Operations, Strategic Planning for APAC Region, Attaché to the SVP of APAC Region and Chief of Staffs of the President Global Pharmaceutical Operations until he became General Manager Finland & Head of Diabetes Division for Nordic & Baltic countries in 2010.</p> <p>He was then appointed as a Head of Indochina and General Manager in Vietnam in 2012 in Asia.</p> <p>In April 2015 he was promoted to ASEAN Zone Head Rx and Singapore Country Chair. In Jan 2017, he was appointed as Head of Asia Business.</p>
Directorships in other listed companies in India	None
Committee memberships	None
Relationship with other Directors and KMP	None
Shareholding in Sanofi India Limited	Nil

Agenda item No.	7
Name	Mr. Thomas Rouckout
Age	40 years
Qualifications	M. Sc. Ecole Polytechnique M. Sc. Ecole Nationale des Ponts et Chaussées MBA, Ecole Nationale des Ponts et Chaussées
Brief profile including expertise	<p>Mr. Rouckout started his career in year 2002 with the Ministry of Economy, Finance and Industry, in Paris as Portfolio Manager supporting French public companies in the implementation of their strategic decisions such as major capital expenditures, mergers and acquisitions. He also helped preparing and implementing the privatization process of public companies on behalf of the French Government.</p> <p>From year 2006 to 2012, he joined Alstom Group as first as Group Management Controller in Corporate, then as CFO for the Alstom Power Gas turbines Operations and Maintenance business in Zurich, Switzerland, then as Vice-President Finance, Operations Controlling for the Grid sector.</p> <p>He joined Sanofi group in 2012 as Group Controller in Paris headquarters and is currently the Head of Finance for Pharma Solids in Industrial Affairs.</p> <p>Mr. Rouckout holds two engineering degrees from Ecole Polytechnique and Ecole Nationale des Ponts et Chaussées as well as a master in business administration.</p>
Directorships in other listed companies in India	None
Committee memberships	None
Relationship with other Directors and KMP	None
Shareholding in Sanofi India Limited	Nil





EXPLANATORY STATEMENT

The following Explanatory Statement pursuant to Section 102 (1) of the Act, sets out all material facts relating to the business mentioned in item nos. 6 to 9 in the accompanying Notice of the Annual General Meeting.

Item No. 6

The Board of Directors of the Company appointed Mr. Cyril Grandchamp-Desraux as an Additional Director with effect from 27th February 2017. Pursuant to the provisions of Section 161 of the Act, Mr. Grandchamp-Desraux will hold the office of a Director up to the date of the forthcoming Annual General Meeting. The Company has received a notice in writing from a member under the provisions of Section 160 of the Act proposing the candidature of Mr. Grandchamp-Desraux for the office of Director.

A brief profile of Mr. Grandchamp-Desraux is provided in the notes to the Notice of the Annual General Meeting.

Mr. Grandchamp-Desraux is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

An Ordinary Resolution in terms as set out in Item No. 6 of the accompanying Notice is placed before the members in the Annual General Meeting for approval.

Except Mr. Grandchamp-Desraux, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in this resolution.

Item No. 7

The Board of Directors of the Company appointed Mr. Thomas Rouckout as an Additional Director with effect from 27th February 2017. Pursuant to the provisions of Section 161 of the Act, Mr. Rouckout will hold the office of a Director up to the date of the forthcoming Annual General Meeting. The Company has received a notice in writing from a member under the provisions of Section 160 of the Act proposing the candidature of Mr. Rouckout for the office of Director.

A brief profile of Mr. Rouckout is provided in the notes to the Notice of the Annual General Meeting.

Mr. Rouckout is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

An Ordinary Resolution in terms as set out in Item No. 7 of the accompanying Notice is placed before the members in the Annual General Meeting for approval.

Except Mr. Rouckout, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in this resolution.

Item No. 8

The Company is inter alia, engaged in the business of manufacturing, marketing, trading, import and export of pharmaceutical products. The Company in the ordinary course of its business, imports various products and active pharmaceutical ingredients from and also exports its products to sanofi-aventis Singapore Pte. Ltd., Singapore. sanofi-aventis Singapore Pte. Ltd. is a 'Related Party' within the meaning of Section 2(76) of the Act and Regulation 23 of the Listing Regulations.

Transactions for purchase, transfer or receipt of products, goods, active pharmaceutical ingredients, materials, services, other obligations from and export of products to sanofi-aventis Singapore Pte. Ltd. are deemed to be 'material' in nature as defined in the Listing Regulations as they exceed 10% of the annual turnover of the Company.

The members at the 59th Annual General Meeting of the Company held on 29th April, 2015 approved the Related Party Transactions 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.

Based on the future business projections of the Company, it is proposed to increase this limit to an amount not exceeding in aggregate Rs. 20,000 million (Rupees twenty thousand million only) in each financial year.

In terms of Regulation 23 of the Listing Regulations, these transactions would require the approval of the members by way of an Ordinary Resolution.





The particulars of the contracts / arrangements / transactions are as under:

Particulars	Information
Name of the Related Party	sanofi-aventis Singapore Pte. Ltd.
Name of Director(s) or Key Managerial Personnel who is related	None
Nature of Relationship	The Company and sanofi-aventis Singapore Pte. Ltd., are both indirect subsidiaries of Sanofi SA, France
Nature of the Contracts / arrangements / transactions	Purchase, sale, transfer or receipt of products, goods, active pharmaceutical ingredients, materials, services or other obligations, if any
Material terms of the contracts/arrangements/ transactions	To be determined on arm's length basis
Monetary Value	Not exceeding Rs. 20,000 million in each financial year
Are the transactions in the ordinary course of business	Yes
Are the transactions on an arm's length basis	Yes
Whether the transactions would meet the arm's length standard in the opinion of the Company's Transfer Pricing Consultants	Yes
Whether the transactions have been approved by Audit Committee and the Board of Directors	Yes
Any other information relevant or important for the members to make a decision on the proposed transactions	None

The annual value of the transactions proposed is estimated on the basis of the Company's current transactions and future business projections.

The Company's ultimate holding company, Sanofi SA of France has discovered, developed, acquired and/or licensed certain products and active pharmaceutical ingredients. sanofi-aventis Singapore Pte. Ltd. has the rights to manufacture, promote, market, distribute and/or sell the same for the Asia Pacific Region. The Company imports finished products for sale in India and also imports active pharmaceutical ingredients for manufacture of products in India from sanofi-aventis Singapore Pte. Ltd., which has granted to the Company the exclusive right to use the trademarks and/or the intellectual property rights in the products free of cost for sale in India. Similarly, products manufactured in India by the Company are exported to other countries through sanofi-aventis Singapore Pte. Ltd.

The Board is of the opinion that the transactions of purchase of products, active pharmaceutical ingredients from / export of products and services to / from sanofi-aventis Singapore Pte. Ltd. are in the interests of the Company.

The Board, therefore, recommends the resolution set out in Item No. 8 of the Notice for the approval of the members in terms of Regulation 23 of the Listing Regulations.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution.

Item No. 9

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. D. C. Dave & Co., Cost Accountants, as Cost Auditors to conduct the audit of the cost accounts maintained by the Company in respect of bulk drugs and formulations for the financial year ending 31st December 2017.





In accordance with the provisions of Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for approval of the remuneration payable to the Cost Auditors for the financial year ending 31st December 2017.

The Board recommends the approval of the remuneration payable to M/s. D. C. Dave & Co., Cost Accountants for conducting the cost audit and passing of the resolution set out at Item No. 9 of the Notice.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution.

By Order of the Board

GIRISH TEKCHANDANI
COMPANY SECRETARY

27th February 2017





REPORT OF THE DIRECTORS TO THE MEMBERS OF THE COMPANY

Your Directors have pleasure in presenting the Audited Accounts of your Company for the financial year ended 31st December 2016.

FINANCIAL RESULTS

	Rs. in millions	
	2016	2015
Revenue from Operations (Net)	23,686	21,931
Other Income	708	514
Profit before Tax and Exceptional Items	4,661	3,971
Tax Expense	1,691	1,594
Profit after Tax and before Exceptional Items	2,970	2,377
Exceptional Item	–	838
Profit after Tax and Exceptional Items	2,970	3,215
Balance brought forward from previous year	12,529	11,438
Available for appropriation	15,499	14,653
Which your Directors have appropriated as follows:		
Interim dividend (paid in August 2016)	415	415
Provision for Final dividend and Special one-time dividends	1,152	1,082
Tax on dividends	318	305
Transfer to General Reserve	–	322
Balance carried to Balance Sheet	13,614	12,529

DIVIDEND

An interim dividend of Rs. 18 per equity share of Rs. 10 was declared by the Board of Directors and was paid in August 2016.

Your Directors recommend payment of a final dividend of Rs. 50 per equity share of Rs. 10.

If approved by the members at the Annual General Meeting to be held on 5th May 2017, the interim dividend and proposed final dividend will result in cash outflow of Rs. 1,567 million (excluding Dividend Distribution tax) for the year 2016.

As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Board of Directors approved a Dividend Distribution Policy at its meeting held on 7th November 2016. The policy is in accordance with the parameters prescribed under the Listing Regulations and is available on the Company's website www.sanofiindia.com.

MANAGEMENT DISCUSSION AND ANALYSIS

As required by Regulation 34(2) of the Listing Regulations, a Management Discussion and Analysis Report is part of this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Dr. Vijay Mallya ceased to be a Director and Chairman of the Board of Directors at the end of last Annual General Meeting held on 29th April 2016. Ms. Virginie Boucinha ceased to be a Director with effect from close of business hours on 1st June, 2016. Mr. Lionel Guerin resigned and ceased to be alternate Director to Mr. Francois Briens with effect from close of business hours on 1st June 2016. He continues as Whole Time Director and Chief Financial Officer.

Mr. Aditya Narayan and Ms. Usha Thorat were appointed as Independent Directors with effect from 30th April 2016. Mr. Aditya Narayan was elected as Chairman by the Board of Directors with effect from 30th April 2016.

Mr. Krishnaswami Subramani ceased to be the Company Secretary and Key Managerial Personnel at the close of business hours on 7th November 2016. Mr. Girish Tekchandani was appointed as the Company Secretary and Key Managerial Personnel with effect from 8th November 2016.





As on 31st December 2016, Dr. Shailesh Ayyangar, Managing Director; Mr. Lionel Guerin, Whole Time Director and Chief Financial Officer; Mr. Rajaram Narayanan, Whole Time Director; Mr. Ashwani Sood, Whole Time Director and Mr. Girish Tekchandani, Company Secretary were designated as Key Managerial Personnel (KMP).

The Company has received declarations from all Independent Directors that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 (the Act) and the Listing Regulations.

Mr. Lionel Guerin and Mr. Francois Briens retire by rotation at the forthcoming Annual General Meeting. Mr. Lionel Guerin has given his consent for the re-appointment. Mr. Francois Briens has not sought re-appointment. The necessary resolutions in this regard have been proposed in the Notice of the forthcoming Annual General Meeting.

Post the closure of the financial year on 31st December 2016, Mr. Cyril Grandchamp-Desraux and Mr. Thomas Rouckout were appointed as Additional Directors on the Board with effect from 27th February 2017. Mr. Jerome Silvestre and Mr. Patrick Chocat resigned as Directors of the Company effective close of business hours on 26th February 2017. Accordingly, Mr. Rajaram Narayanan and Mr. Ashwani Sood also ceased to be Alternate Directors. They continue to be Whole Time Directors of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in Annexure - A to this Report.

CASH FLOW AND CONSOLIDATED FINANCIAL STATEMENTS

As required under Regulation 34 of the Listing Regulations, a Cash Flow Statement is part of the Annual Report.

As the Company does not have any subsidiaries, it is not required to publish Consolidated Financial Statements.

CORPORATE GOVERNANCE

As required by Regulation 34 of the Listing Regulations, a Report on Corporate Governance along with a Certificate of Compliance from the Auditors is part of this Report.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the year ended 31st December 2016, as stipulated under Regulation 34 of the Listing Regulations is given in Annexure - B to this Report.

MEETINGS OF THE BOARD OF DIRECTORS

Six meetings of the Board of Directors were held during the year. Dates of the meetings are given in the Report on Corporate Governance.

AUDIT COMMITTEE

Details pertaining to composition of the Audit Committee are included in the Report on Corporate Governance. All the recommendations made by the Audit Committee were accepted by the Board.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

The Directors are regularly informed during meetings of the Board and Committees of the activities of the Company, its operations and issues facing the pharmaceutical industry. During the year, the Company conducted a two-day familiarization program for its Independent Directors wherein all business and functions made detailed presentations to the Independent Directors.

The details of familiarization programs provided to the Directors of the Company are available on the Company's website www.sanofiindialtd.com.

SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES

Your Company does not have any subsidiaries or joint ventures. Fellow subsidiaries of Sanofi (ultimate holding company of the Company) are associate companies.





CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee to monitor implementation of CSR activities of your Company.

Based on the recommendation of the CSR Committee, your Board has adopted a CSR policy. The details of the composition of the CSR Committee, CSR policy, CSR initiatives and activities during the year are given in the Annual Report on CSR activities in Annexure - C to this Report.

RELATED PARTY TRANSACTIONS

All related party transactions which were entered into during the year under review were on arm's length basis and in the ordinary course of business. There were no materially significant related party transactions made by the Company with the Promoters, Directors and Key Managerial Personnel which may have a potential conflict with the interests of the Company at large.

Your Company had entered into material related party transactions with sanofi-aventis Singapore Pte. Ltd. for the purchase and sale of products and services and with Shantha Biotechnics Private Limited to provide a loan. These transactions were in the ordinary course of business and at arm's length as duly certified by the third party experts. The transactions were within the limits approved by the members.

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The policy is available on the Company's website www.sanofiindia.com. Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of Section 188 of the Act including certain arm's length transactions under third proviso thereto are required to be disclosed in Form AOC-2.

The Form AOC-2 envisages disclosure of material contracts or arrangements or transactions at arm's length basis. The details of the material Related Party Transactions in financial year ended 31st December 2016, as per the Policy on dealing with Related Parties adopted of the Company are disclosed in Annexure - D to this Report.

DEPOSITS FROM PUBLIC

Your Company has not accepted any deposits from the public and as such no amount of principal or interest on deposits from the public was outstanding as on the date of the Balance Sheet.

LOANS, GUARANTEES OR INVESTMENTS

The Company took approval of members at the 60th Annual General Meeting held on 29th April 2016 for entering into Related Party Transactions with Shantha Biotechnics Private Limited for extending a loan up to Rs.3,300 million up to 15th April 2017 or such extended period of time as may be decided by the Board of Directors. The Board of Directors of the Company at its meeting held on 27th February 2017 approved extension of the tenure of this loan up to 15th April 2019.

The particulars of this loan are disclosed in Form AOC-2 which forms part of this Report.

Details of the existing loans and investments made by your Company are given in the notes to the financial statements.

RISK MANAGEMENT

Your Company has implemented a mechanism for risk management and formulated a Risk Management Policy. The policy provides for creation of a Risk Register, identification of risks and formulating mitigation plans. The Audit Committee and the Board review the risk assessment and minimization procedures.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 134(3) of the Act, your Directors, to the best of their knowledge and belief, confirm that:

1. in the preparation of the annexed accounts for the financial year ended 31st December 2016 all the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;





3. your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the said accounts have been prepared on a going concern basis;
5. internal financial controls to be followed by the Company have been laid down and that internal controls are adequate and were operating effectively; and
6. proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems are adequate and operating effectively.

COST AUDIT

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the cost records maintained by the Company in respect of bulk drugs and formulations are required to be audited. Your Directors have, on the recommendation of the Audit Committee, appointed M/s. D. C. Dave & Co., Cost Accountants to audit the cost accounts maintained by the Company for bulk drugs and formulations for the financial year ending 31st December 2017.

As required by the Act, the remuneration payable to the Cost Auditor is required to be placed before the members in General Meeting for their ratification. Accordingly, a resolution seeking approval of the remuneration payable to M/s. D. C. Dave & Co. as fixed by the Board is included in the Notice convening the Annual General Meeting.

AUDITORS

M/s. S R B C & CO. LLP, Chartered Accountants were appointed Statutory Auditors of your Company for a term of two years from the conclusion of the Fifty- ninth Annual General Meeting held on 29th April 2015 till the conclusion of the Sixty-first Annual General Meeting, subject to ratification by members at every subsequent Annual General Meeting.

M/s. S R B C & CO. LLP, Chartered Accountants will retire as Statutory Auditors of your Company at the conclusion of the Sixty-first Annual General Meeting.

The Board of Directors have recommended appointment of M/s. Price Waterhouse & Co. Chartered Accountants LLP (Firm Registration Number 304026E / E300009) as Statutory Auditors of your Company to hold office from the conclusion of the Sixty-first Annual General Meeting, until the conclusion of the Sixty-sixth Annual General Meeting, subject to ratification by members at every subsequent Annual General Meeting.

M/s. Price Waterhouse & Co. Chartered Accountants LLP have confirmed their eligibility and willingness for this appointment.

A resolution seeking this appointment has been included in the Notice convening the Annual General Meeting.

PERSONNEL

Disclosures with respect to the remuneration of Directors, KMPs and employees as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure - E to this Report.

Details of employee remuneration as required under provisions of Section 197(12) of the Act read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Report. In terms of the first proviso to Section 136(1) of the Act, the reports and accounts are being sent to the shareholders excluding the aforesaid remuneration. Any shareholder interested in inspection of the documents pertaining to the above information or desiring a copy thereof may write to the Company Secretary.

PREVENTION OF SEXUAL HARASSMENT POLICY

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year 2016, the Company received two complaints of sexual harassment, both of which were dealt with by taking appropriate actions.





SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Directors had appointed M/s. S. N. Ananthasubramanian & Co., a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of your Company.

Their report is annexed herewith as Annexure - F to this Report.

EXTRACT OF ANNUAL RETURN

As required by Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure - G to this Report.

ACKNOWLEDGEMENTS

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment.

The Board places on record its appreciation for the support and co-operation your Company has been receiving from the medical fraternity, suppliers, distributors, retailers, business partners and all other stakeholders.

By Authority of the Board

ADITYA NARAYAN
CHAIRMAN
DIN: 00012084

27th February 2017





ANNEXURE - A TO THE REPORT OF THE DIRECTORS

Statement containing particulars pursuant to Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Report of the Directors for the year ended 31st December 2016.

A. CONSERVATION OF ENERGY

Energy Conservation measures undertaken in 2016:

Ankleshwar factory

- Cooling tower fan motors replaced with energy efficient motors and adequately sized motors in CTF # 5, 6 and 8 resulting in total saving of 54,882 kWh power.
- Brine circulation and supply pumps with motors replaced with higher efficiency resulting in total saving of 53,616 kWh power.
- Changes in lighting in administration, canteen, substation and waste water plant by replacing the normal light fitting with LED resulting in total saving of 8,963 kWh power.
- An energy saving project is underway to incorporate heat recovery boiler and a vapour absorption machine in existing cogeneration plant to recover heat from gas engine and generate 590 kg/hr steam and 123 TR chilled water.

Goa factory

- 400 Tons Chiller with variable frequency drive installed to take care of variable load in chilled water system.
- Warehouse storage area totally separated with insulated sandwich panels to reduce heat load from sunlight.
- In place of local air conditioners, central chilled water AHU's installed for Codeine Store.
- More than 100 CFL Light fittings replaced by LED Light fittings.
- 2 million litres of rainwater harvested and used for cooling tower.

Energy conservation measures proposed to be taken in 2017:

Ankleshwar factory

- Auto tube brushing system is planned to be incorporated in existing brine plants to improve the approach in the condenser units.
- Cogeneration with steam and chilled water generation from waste heat of gas engine will be completed in 2017.
- Electric motorized valves are planned to be installed in the cooling water line of brine plant oil cooler line to reduce cooling water consumption in brine generation.
- Energy Audit for electricity consumption.

Goa factory

- Energy Audit for electricity consumption.
- Feasibility study for 1 MW onsite solar panels for electricity generation.





Requisite data in respect of energy consumption is given below:

Power & Fuel Consumption		Year Ended 31.12.2016	Year Ended 31.12.2015	Reasons for variation
1. ELECTRICITY				
(a) Purchased				
Units	million kWh	22.969	21.247	Change in product mix impacting consumption
Total Amount	Rs. million	152.122	140.921	
Rate/Unit	Rs.	6.623	6.633	
(b) Own Generation				
(i) Through Diesel Generator				
Units	million kWh	0.682	0.634	
Units per litre of Diesel Oil	kWh	4.132	3.841	
Cost/Unit	Rs.	13.014	14.000	
(ii) Through Steam Turbine / Generator		Nil	Nil	
2. COAL		Nil	Nil	
3. FURNACE OIL / LSHS		Nil	Nil	
4. NATURAL GAS				
Quantity	M3	3,094,441	2,875,136	
Total Amount	Rs. million	94.59	101.83	
Average Rate	Rs.	30.57	35.42	
5. BIOMASS				
Quantity	Tonnes	2,619	2,236	
Total amount	Rs. million	14.88	13.89	
Average Rate per Tonne	Rs.	5.680	6.214	





Consumption per unit of production

Product	Unit of Production	Standards (If any)	Year Ended 31.12.2016	Year Ended 31.12.2015	Reasons for variation
1. Electricity - kWh					
Bulk Drugs	Tonnes	None	8,703	9,307	Consumption depends on product mix
Bulk Drugs	K.Lits	None	Nil	Nil	
Formulations	million Units	None	1,821	1,634	
2. FURNACE OIL / LSHS (K.LIT)					
Bulk Drugs	Tonnes	None	Nil	Nil	
Bulk Drugs	K. Lits	None	Nil	Nil	
Formulations	million Units	None	Nil	Nil	
3. NATURAL GAS (IN THOUSAND M3)					
Bulk Drugs	Tonnes	None	0.539	0.599	Consumption depends on product mix

B. TECHNOLOGY ABSORPTION RESEARCH & DEVELOPMENT (R&D)

Specific areas in which R&D carried out:

The Company carried out process development and clinical trials for existing and future products.

Expenditure on R&D

- | | |
|---|-----------------|
| a) Capital | Rs. 16 millions |
| b) Revenue | Rs. 82 millions |
| c) Total | Rs. 98 millions |
| d) Total R&D expenditure as a percentage of total turnover: | 0.44% |

Technology absorption, adaptation and innovation:

- Efforts, in brief, towards technology absorption, adaptation and innovation:
The Company interacted with its holding company who continued to provide the latest technology.
- Benefits derived as a result of the above:
It has helped the Company to retain its market position.
- Imported Technology: Technology imported, year of import and whether technology has been fully absorbed.
Based on technology received from holding company, a number of products were taken up for manufacture and are in regular production. The technology for such products has been fully absorbed.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | |
|----------------------------------|-------------------|
| a) Total Foreign Exchange used | Rs. 6,846 million |
| b) Total Foreign Exchange earned | Rs. 7,145 million |

By Authority of the Board

ADITYA NARAYAN
CHAIRMAN
DIN: 00012084

27th February 2017





ANNEXURE - B TO THE REPORT OF THE DIRECTORS BUSINESS RESPONSIBILITY REPORT

Sanofi India Limited (the Company or Sanofi) has a comprehensive set of policies and guidelines that support its business activities. This framework not only meets the various regulatory requirements that apply to its business, but exceeds them in certain cases. Sanofi's willingness to go beyond basic compliance reflects its desire to achieve the highest standards in its activities.

Business Responsibility is embedded into Sanofi's core business strategy, focused on patients at the center of its activity. Sanofi's ambition is to play a wider role in enabling individuals to take control of their health by innovating and developing solutions that meet their needs, and by seeking to improve business performance and sustain its leadership in the pharmaceuticals sector in India.

This report highlights some of the business responsibility aspects of Sanofi.

SECTION A - GENERAL INFORMATION

1	Corporate Identity Number (CIN) of the Company	L24239MH1956PLC009794
2	Name of the Company	Sanofi India Limited
3	Registered address	Sanofi House, CTS NO.117-B, L&T Business Park, Saki Vihar Road, Powai, Mumbai 400072
4	Website	www.sanofiindialtd.com
5	E-mail id	igrc.sil@sanofi.com
6	Financial Year reported	1st January 2016 to 31st December 2016
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	21002: Manufacture and sale of pharmaceutical products
8	List three key products/services that the Company manufactures/ provides (as in balance sheet)	Drugs and Pharmaceuticals
9	Total number of locations where business activity is undertaken by the Company:	
	a) Number of International Locations	None
	b) Number of National Locations	Head Office at Mumbai and two factories at Goa and Ankleshwar
10	Markets served by the Company	India and 48 countries for exports as on 31st December 2016

SECTION B - FINANCIAL DETAILS

1	Paid up Capital (Rs.)	230.3 million
2	Total Turnover (Rs.) net of Excise	22,062 million
3	Total profit after taxes (Rs.)	2,970 million
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of average Net profit of the Company for last 3 financial years (Rs.)	73 million
5	List of activities in which expenditure in 4 above has been incurred	Healthcare education and healthcare access (Refer CSR Report for details on CSR programs)





SECTION C - OTHER DETAILS

1	Does the Company have any Subsidiary Company / Companies?	No
2	Do the Subsidiary Company / Companies participate in the Business Responsibility initiatives of the parent company? If yes, then indicate the number of such subsidiary Company(ies)?	NA
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the Business Responsibility initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company expects that all its third-party business partners adhere to business principles consistent with the Company. The Company has Responsible Sourcing Policy, which requires a detailed third-party compliance program.

SECTION D - BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for Business Responsibility

a) Details of the Director/Director responsible for implementation of the Business Responsibility policy/policies

DIN Number 00268076
 Name Dr. Shailesh Ayyangar
 Designation Managing Director

b) Details of the Business Responsibility head

DIN Number 00268076
 Name Dr. Shailesh Ayyangar
 Designation Managing Director
 Telephone number +91 22 2803 2000
 e-mail ID lgrc.sil@sanofi.com

2. Principle-wise Business Responsibility Policy/policies (Reply in Y/N)

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 3: Businesses should promote the well-being of all employees.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Principle 5: Businesses should respect and promote human rights.

Principle 6: Businesses should respect, protect and make efforts to restore the environment.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle 8: Businesses should support inclusive growth and equitable development.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	(1)	(4)	(2)	(6)	(8)	(9)	(7)	(11)	(12)





Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
4.	Has the policy being approved by the Board. If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
5.	Does the Company have a specified Committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	(3)	(5)	(13)	(7)	(3)	(10)	(3)	(6)	(13)
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

- (1) The policies are aligned to the Sanofi Group's Global Code of Ethics which defines the Company's expectations when conducting Sanofi business. It is provided as a resource to guide employees in dealing with issues, both inside and outside the Group that they may encounter as part of their day to day functional responsibilities. The Company adhered to the Indian laws and regulations, in cases where it is more stringent.
- (2) Standards and Policies adopted by the Company's global parent have been put in place in India.
- (3) <http://www.sanofiindialtd.com/l/pw/en/layout.jsp?scat=B939A1F2-2772-4FC2-8701-710B3DAC0610>
- (4) The Policy is compilation based on different global standards including that of the United Nations and International Labour Organization. Sanofi is a signatory to the UN global compact.
- (5) <http://suppliers.sanofi.com/web/documents-links/documents>
- (6) Managed as per the provisions of the Act and Rules made thereunder.
- (7) <http://www.sanofi.in/l/in/en/layout.jsp?scat=B1C11557-4227-47DA-837C-BFEC167EC2C8>
- (8) Part of Sanofi Group's Global Code of Ethics.
- (9) ISO 14001 - EMS: Environment Management System.
- (10) http://hse-fr.sanofi-aventis.com/Home/Welcome_en_US.aspx
- (11) As per the requirements of the Act.
- (12) Sanofi Quality Policy is aligned with the International Standard ICH Q10: Pharmaceutical Quality System and ensures that the drugs are developed, manufactured and marketed observing applicable international regulatory standards. The life cycle management of the product is designed considering the international standards and requirements as laid down by the national legislations.
- (13) Internal documents. Not published on the website.

2a. If answer to Sr. No. 1 against any principle, is 'No', please explain why

Sr.No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-





Sr.No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
3.	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to Business Responsibility

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meets to assess the Business Responsibility performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

In line with Sanofi Code of Ethics, sustainability and business responsibility are the ongoing discussions during all Board level and business meetings led by the Managing Director. The Directors and senior management members affirm compliance with the Code of Ethics on annual basis.

With this report, the Company will publish a Business Responsibility Report in its Annual Report once a year.

The Corporate Social Responsibility (CSR) Committee of the Company comprising a majority of Independent Directors is responsible for formulating, implementing and monitoring the CSR Policy of the Company under the guidance of the Board. Managing Director is part of this Committee. The Committee meets at least twice a year to review progress on various CSR initiatives.

The CSR Committee also approves Annual CSR Report as per the provisions of the Act. CSR Report is part of the Directors' Report.

Does the Company publish a Business Responsibility or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This Business Responsibility Report would be part of the Annual Report and can be accessed on the website of the Company - www.sanofiindia ltd.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

The Code of Ethics defines the Company's expectations when conducting the Sanofi business. It is provided as a resource to guide employees in dealing with issues, both inside and outside the Group, that employees may encounter as part of their day to day functional responsibilities.

The Code sets forth the responsibilities of Sanofi to its employees and to industry as under:

1. Employees:
The Company ensures diversity, equality of opportunity, health and safety, and respect in the workplace for its employees.
2. Stakeholders:
 - Patients and consumers: Sanofi is committed to product safety and quality and to ensure that we comply with all legal, regulatory and internal requirements, so that it can meet the obligation to act with integrity.
 - Healthcare professionals: The Company is committed to follow applicable legislations regarding the promotion of medicines, and adhere to all relevant rules in all countries.
 - Suppliers and contractors: In its business dealings, the Company is governed by local legislations, internal charters and its standards in terms of human rights, labour, environment, and ethical conduct. In particular, its employees must require suppliers to commit to resisting all forms of corruption.
 - Government employees and representatives: Sanofi is committed to relationships founded on honesty and integrity, and pays particular attention to strict compliance with anti-corruption laws and regulations such as the OECD Convention, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act.





- Shareholders and investors: The Company regularly provide shareholders and investors with transparent information about its activities, its strategy, performance, future prospects and its financial position, so that they can properly assess its situation. These commitments depend on the engagement and ethical conduct of each of the employees in all circumstances.

If an employee of the Company believes in good faith that a rule or one of the principles laid down in this Code of Ethics has been or is about to be violated, he or she may inform his or her superior or Global Compliance of his or her concerns regarding possible illegal practices or ethical violations. Compliance team investigates the facts reported, with support from other functions, in particular Internal Audit if necessary. Any report that reveals fraud, a significant compliance breach or a significant internal control weakness is addressed by corrective action and/or disciplinary action and/or legal proceedings.

All complaints received during the year were / are being investigated and necessary remediation actions have been / will be initiated.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Sanofi is committed to protect health, enhance patient life, provide hope and respond to the potential healthcare needs of people around the world. Sanofi works tirelessly to make a difference to patient's lives every day and transform scientific innovations into therapeutic solutions for patients.

As part of Sanofi Group, the Company has a strong set of values that serve as the foundation for its individual and Group performance. Upheld daily by everyone in Sanofi, through involvement, actions and initiatives, all in Sanofi are working for what really matters - Health.

The products manufactured at Sanofi's manufacturing site are approved by the regulatory agencies like Medicines and Healthcare Products Regulatory Agency (MHRA) - United Kingdom, Regierungspräsidium Darmstadt (Germany), Medicines Control Council (MCC) - South Africa, Taiwan Food and Drug Administration (TFDA) - Taiwan, The State Administration of Ukraine on Medicinal Products (SAUMP) - Ukraine, Therapeutic Goods Administration (TGA) - Australia, Health Authority - Canada, Agência Nacional de Vigilância Sanitária (ANVISA) - Brazil and Pharmacy & Poisons Board (PPB-Kenya) followed by many regulatory approvals as per Indian Legislation; which endorse the quality and safety of the products manufactured.

Sanofi's Quality Management Organizational structure is established to ensure compliance with Sanofi Quality policy & applicable Good Practices (GxP) for all processes and activities that result in manufacture of world class healthcare products.

In addition, GxP-related materials and equipment are purchased from approved suppliers using pre-defined acceptance criteria, including compliance with technical specifications and quality requirements. The quality awareness of suppliers and subcontractors is critical and is ensured throughout the product lifecycle by implementing Sanofi Quality Management System.

As a commitment towards environmental protection Sanofi discourages the use of Ozone Depletion substances. Industrial sites are free from CFC compounds in all refrigeration units. All the CFC units are replaced by non-CFC compounds in phased manner. Not only Goa site upgraded the effluent treatment network but also initiated rainwater harvesting. 320 KL collection sump is created for roof top rain water collection and approx. 2 million litres of water collected and used in cooling tower as part of water conservation measure.

Sanofi follows Good Manufacturing Practice (GMP) principles for product packaging and labelling. Products are appropriately labeled as per drug legislation and have suitable Barcodes / Pharmacodes to assure safe distribution so as to avoid pilferage. The authenticity and anti-counterfeit feature for the product is maintained by using suitable Security seals in the packaging along with unique serialization and QR Code, as implemented for some products.

Sanofi continuously evaluates local and small vendors for different products and services some of whom have become suppliers to Sanofi.

The Company also works on recycling of products and waste. The Ankleshwar site now has a zero discharge waste water treatment facility. A large portion of packaging material e.g. drums, cans, containers are decontaminated and handed over to local bodies after inspection.

Principle 3: Businesses should promote the well-being of all employees

Sanofi's employees across India are motivated by a sense of purpose and pride, knowing that their work has an impact on patients' lives. In developing its multicultural workforce, the Company cultivate a rich source of talent, innovation, cooperation and competitive edge. Its challenge is to successfully prepare each individual for the healthcare sector's rapidly changing and highly competitive environment in a way that is consistent with Sanofi's values and its "People Development Principles."





The HR processes that support Sanofi's people development policy through the "One Sanofi, One HR" holistic model are even more effective because the Company taps the rich diversity of its workforce, giving it a remarkable opportunity to develop its creativity and better address the needs of patients all over the world.

By cultivating the diversity of its multicultural workforce, Sanofi creates a pool of talent, innovation, expertise and competitiveness. For employees, working in an environment that supports diversity and inclusion helps each individual thrive and live up to his or her potential while actively contributing to the Company's performance in an industry marked by constant change.

As on 31st December 2016, the Company had 3,623 employees. The Company also had 150 people hired on temporary / contractual / casual basis. The women employees constituted about 8% of the Company's total employees.

The Medical Representatives in sales and work force in manufacturing facilities at Goa and Ankleshwar have constituted their internal unions. 21% of Company's employees are part of these unions.

There were no complaints relating to child labour, forced labour or involuntary labour in the financial year ended 31st December 2016.

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The information on complaints is part of the Directors' Report.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Sanofi is committed to working in collaboration with relevant stakeholders to increase access to healthcare and quality medicines designed to improve people's health within an economically sustainable framework that supports innovation. Its aim is to meet the needs of the greatest number of patients.

Sanofi has made a sustained contribution to meeting health challenges by manufacturing and distributing large portfolio of medicines for a wide range of diseases that threaten millions of lives. At the same time, it knows that providing health products and services is just one part of the solution. For this reason, its strategy spans the continuum of care, from prevention to diagnosis and treatment, including disease monitoring and long-term care. Its integrated approach begins with wellness and evolves throughout the patient journey as it seeks to continually contribute to the best possible healthcare experience and outcomes. Sanofi's expertise enables it to address different aspects of access to healthcare from innovation to availability, affordability, quality care and patient support.

Sanofi continued to take part in initiatives to strengthen healthcare systems through better disease management, education and awareness. These initiatives are the result of research and identifying knowledge gaps in the field while engaging with and listening to people living with Diabetes, as well as its partners.

Sanofi also engages with Government (for non-communicable diseases) and Not for Profit Organizations to implement programs around the manufacturing sites in Goa (for health check-ups of children) and Ankleshwar (to reduce maternal and infant mortality). For further details on the projects, please refer the CSR Report for the year 2016 which is part of the Directors' Report.

Principle 5: Businesses should respect and promote human rights

Sanofi adheres to the principles of the Universal Declaration of Human Rights, the International Labour Organization and the Organization for Economic Co-operation and Development (OECD). Through its adherence to the United Nations Global Compact, it supports and applies the core principles relating to human rights, labour, environment, and anti-corruption.

Human Rights matter is also an important part of Code of Ethics as described under Principle - 1.

Sanofi is particularly concerned that its contractors adhere to the fundamental principles of the International Labour Organization, in particular those relating to child labour, forced labour, working hours, pay, freedom of expression, and equality of opportunity. The Company has implemented policies for its third parties to achieve this objective and necessary confirmations are taken from the third parties before their engagement.

The complaint management is part of Code of Ethics as described under Principle - 1.





Principle 6: Businesses should respect, protect and make efforts to restore the environment

Sanofi takes a multifaceted approach to waste management, designed to limit the quantities of waste generated by its activities and encourages appropriate sorting, reuse and recycling to minimize the need to extract additional natural resources. As a pharmaceutical company, it views as important efforts to both reduce the environmental and health impacts of waste as well as improving resource efficiency.

Sanofi requires clean water in sufficient amounts for its production activities, and it is very well aware of the critical challenge posed by the dwindling availability of vital freshwater resources. It also focuses particular attention on the challenge of preventing pharmaceuticals from entering the aquatic environment. Pharmaceuticals may end up in the environment due to effluents from manufacturing facilities, medicines consumed by patients and then excreted, and the improper disposal of unused and expired medicines.

Sanofi has a detailed Health, Safety and Environment policy and program that cover the Company's employees and our external partners.

Sanofi has identified the potential environment risks and implemented a long term Environment Strategy which includes water conservation, waste reduction, use of solar energy, wind energy, etc. In 2017, Sanofi intends to publish a long term environment strategy, namely, "Planate Mobilization", including renewable energy, CO₂ emission reduction, reduction in GHG emission, reduction in water consumption by recycling treated waste water, biodiversity, eco-design and manufacturing, PIE proper use and elimination.

Sanofi has a program in place on Clean Development Mechanism. The Ankleshwar site has commissioned ZLD (Zero Liquid Discharge) facility and is reusing treated waste water. As per the directives of SPCB (State Pollution Control Board), sites submit the report regularly. No show cause / legal notices received from Central Pollution Control Board / SPCB are pending (i.e. not resolved to satisfaction) as at the end of the financial year ended 31st December 2016.

The sites also have provision for solar panels and wind mill.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

The pharmaceutical sector is a highly-regulated industry where government and administrative authorities determine the rules governing research, protection of intellectual property and reimbursement policies, as well as the procedures to obtain marketing authorization. Through its advocacy activities, Sanofi takes part in policy debates affecting the regulatory landscape and its business.

Sanofi engages in sustainable interactions with governments and other stakeholders to work towards the shared goal of improving access for the greatest number of patients to the best medicines and healthcare products; such interactions also contribute to health information while preserving incentives for research and innovation. It is transparent about its lobbying activities, conducted in compliance with the Sanofi Code of Ethics and the Responsible Lobbying Policy.

The Company is member of the following trade associations:

- a) Organization of Pharmaceuticals Producers of India (OPPI)
- b) Federation of Indian Chambers of Commerce and Industry (FICCI)
- c) Confederation of Indian Industry (CII)
- d) Indo French Chamber of Commerce and Industry (IFCCI)

Sanofi works through the Trade Associations for matters related to public good. Some broad areas where it has worked include Advocacy for improving access to affordable healthcare through sustainable business practices, predictable pricing policy, development of an eco-system that supports innovation & ethics.

Principle 8: Businesses should support inclusive growth and equitable development

Sanofi is committed to working in collaboration with relevant stakeholders to increase access to healthcare and quality medicines designed to improve people's health within an economically sustainable framework that supports innovation. Sanofi's aim is to meet the needs of the greatest number of patients.





Sanofi has implemented a detailed CSR Policy which covers the three aspects:

- a) Access to healthcare
- b) Capacity building & Awareness
- c) Employee volunteering

The key initiatives under CSR program were:

1. Public Private Partnerships -
 - a) KiDS (Kids with Diabetes in Schools) was launched in 2014, with IDF and PHFI. 49,000 children, their parents and 3,600 teachers have been trained through the kit.
 - b) In October 2014, Sanofi initiated its 5-year partnership with the Government of Maharashtra to train counselors and nurses across its entire Non Communicable Disease cell, to help improve health outcomes for people with Diabetes, Hypertension and Cancer. Impact assessment was also done for this program.
 - c) DIABETES WITH DIGNITY, a model for improved Diabetes care in rural communities near Baramati in Pune district in partnership with Chellaram Diabetes Institute and the Public Health Foundation of India.
2. Sustained programs at manufacturing sites (Ankleshwar and Goa) to reduce health inequalities -
 - a) Jhagadia near Ankleshwar - partnering SEWA Rural, a hospital to help increase the diagnoses of Diabetes and reduce maternal and infant mortality rate.
 - b) Verna, Goa - Annual medical check-ups to monitor the health for children in 12 schools and maintain their medical records.
3. Fun Centers - in five Pediatric wards across India to help children cope with the rigors of treatment.
4. Awareness initiatives on Diabetes, Cardiovascular diseases and training on critical healthcare. The key program of the Company for creating awareness is 'Saath 7' which provides patients with educational material and other resources to teach them how to cope with Diabetes and adapt to the lifestyle that will help them better manage their condition and lead a good quality of life.

These programs are undertaken internally by an in-house team and also with the help of NGOs, Public Health Foundation of India and the Government.

The direct contribution of the Company to these projects was Rs.73 million in 2016.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sanofi regularly interacts with patients, healthcare professionals, authorities, suppliers, business partners and other stakeholders. Its approach to business ethics is both proactive and preventive: it has established and enforced clear rules in accordance with the legislative framework and implements rigorous in-house systems to prevent violations of internal rules.

Sanofi remains committed to providing accurate, complete and reliable information about its marketed products to physicians, pharmacists and other healthcare professionals. To ensure that its promotional practices respect the standards of ethics and comply with law, it has established specific measures and systems to support the marketing of its products.

The consumers of its products, i.e. the patients receive the benefits of world-class products manufactured and distributed by Sanofi.

Patient safety is the primary focus of Sanofi's pharmacovigilance, quality and anti-counterfeiting teams. The pharmacovigilance department monitors the safety of its products, and ultimately contributes to the continuous assessment of their benefit-risk profile. The mission of pharmacovigilance is to safeguard patient safety, and the department is strongly committed to appropriate transparency and compliance with all applicable regulations and policies. Sanofi's approach involves guaranteeing quality at each phase of a product's life cycle, from the earliest steps of development to the distribution of products to sales channels. Appropriate product information over and above what is mandated as per local law is displayed on the product label. Lastly, because it is concerned about the threat to patient safety posed by counterfeit medicines, Sanofi is involved in assisting enforcement authorities to combat counterfeit drugs.





A dedicated system is in place in all entities to handle complaints received from patients, consumers and healthcare professionals, potentially indicative of quality defects or difficulties in handling or using its products. This system involves commercial affiliates, manufacturing sites, and other functions such as pharmacovigilance as needed, and aims at promptly analyzing the complaints, and defining corrective and preventive actions if needed. Likewise, regulatory authorities are notified in a timely manner about defects, in compliance with regulatory requirements. Sanofi seeks to learn from complaints to design improvements that will make Sanofi products easier for patients to use, when needed and where technically possible. Receiving and responding to complaints is a regular and ongoing process.

There were no cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and /or anti-competitive behavior during the last five years and pending at the end of financial year.

By Authority of the Board

ADITYA NARAYAN
CHAIRMAN
DIN: 00012084

27th February 2017





ANNEXURE - C TO THE REPORT OF THE DIRECTORS REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

SANOFI INDIA LIMITED's (the Company or Sanofi) approach towards Corporate Social Responsibility (CSR) is to focus on health: Access and awareness, where it can make a difference and have the most impact.

A brief outline of the Company's CSR guiding principles and the programs proposed to be undertaken:

The Company will leverage its scientific and operational expertise and resources to improve access to quality healthcare for people. Sanofi's CSR strategy aims to address a wide range of access barriers that negatively impact patients' lives.

The Company aims to partner projects in Diabetes, Hypertension, Cardiovascular Disease and Cancer by sharing its expertise and experience.

The Company believes that to make a meaningful impact, it needs to partner with the Government and like-minded organizations. Accordingly, it will engage in Public-Private Partnership (PPP) projects aimed at effectively and transparently implementing healthcare programs for marginalized communities.

The Company has strong Governance which plans and monitors its CSR activities.

The policy on CSR is available on the Company website www.sanofiindia.com

Non-communicable Diseases (NCDs) account for 53% of deaths in India. Treatment cost is almost double for NCDs as compared to other conditions and illnesses. Burden of non-communicable diseases and resultant mortality is expected to increase unless massive efforts are taken to prevent and control NCDs and their risk factors.

Ministry of Health and Family Welfare has launched National Cancer Control Programme, National Tobacco Control Programme and National Programme for Prevention and Control of Cancer, Diabetes, CVD and Stroke (NPCDCS) to address NCDs such as cancer, CVD, Diabetes and stroke that are the major factors reducing potentially productive years of human life and resulting in huge economic loss.

Currently implemented programs that address NCDs have not been able to reduce the burden due to limited scale of implementation. Public awareness program, integrated management and strong monitoring system are required for successful implementation of the program and making services universally accessible in the country.

The Company leverages its expertise and capability in the area of NCDs by partnering with the Government to do capacity building programs and to develop a model of enhanced care.

Sanofi has developed programs to address NCDs:

- 1. Public Private Partnership (PPP) with the Government of Maharashtra:** Sanofi India has broadened the parameters of its long running Diabetes Patient Counseling Program, 'Saath7'. Under this umbrella, Sanofi is additionally conducting a PPP in the area of NCDs.

Launched in October 2014, this program aims to upgrade the knowledge of healthcare personnel (medical officers, counselors and nurses) about the management of patients with Diabetes, Hypertension, CVD and Cancer.

Over the next 3 years, Sanofi India will support the Maharashtra State Government in training counselors and nurses from NCDs cells across all the 35 districts and impact the lives of 103 million people excluding Mumbai across Maharashtra. It included installation of 6,500 hoardings and posters on patient information in the area of Diabetes and hypertension in government hospitals across 35 districts.

Impact till December 2016: 311 counselors and nurses trained in Module 1 in 11 districts and in Module 2 and 3 in 6 districts. Training of medical officers in Nashik and Thane districts successfully completed. 1,211 hoardings and posters installed in 255 hospitals / community Health Centers in 17 districts. About 20 million people reached out to by such awareness campaigns.





2. **Diabetes with Dignity:** This program is to pilot feasibility and effectiveness of a model for enhanced care of Diabetes mellitus in adults in a rural community of district Pune, Maharashtra.

It entails empowering the ASHAs (Accredited Social Health Activists) in the villages by training them to identify and screen adults for Diabetes through house-to-house survey using a validated questionnaire and referring people with high risk to ANMs (Auxiliary Nurse Midwife) at public health centres for follow up.

It cover building capacity of ANMs and MPWs (Multipurpose Health Workers) at health centers to conduct RBG (Random Blood Glucose) testing by glucometer and referring high risk individuals to public health centers to maintain records and do follow ups.

The program reorients medical officers in management of Diabetes and trains them in prevention of complications with the help of pharmacotherapy, diagnostic and prognostic workshops.

It is creating awareness in the community and educates people with Diabetes and their caregivers on the management of Diabetes and its complications.

It involves community-based organizations in raising awareness of Diabetes and its complications.

The pilot is being conducted in two areas near Baramati. While one area has support of ASHAs, the second one is where ASHA workers do not visit. A clinical assessment of the project at both locations will be done at the end of six months.

3. **KiDS (Kids with Diabetes in Schools):** was launched in 2014 with International Diabetes Federation (IDF) and Public Health Foundation of India (PHFI).

Impact: 6,000 children and 2,800 teachers have been trained in 2016.

4. **Saath 7:** The aim of the program is to understand the needs of the patients and then communicate relevant information to them and their caregivers using the medium they prefer. After enrolling patients for the six-month program, they are equipped with knowledge, skills, confidence and motivation to take charge of their health. The program, through three home visits and three tele-counseling sessions, covers basics of Diabetes and hypoglycemia, blood sugar monitoring and review, diet, customized meal planning, exercise and sick day management and foot care advice.

Saath 7 provides patients with educational material and other resources to teach them how to cope with Diabetes and adapt to the lifestyle that will help them manage their condition better and lead a good quality of life.

The program also undertakes awareness on prevention of complications like diabetic foot, diabetic retinopathy, etc.

The education is provided by Diabetes educators.

Impact: Counseled approximately 85,413 patients in 2016.

5. **Action against Diabetes:** To aid detection of undiagnosed diabetic patients and give them the benefit of Diabetes care.

Impact: 150,000 people in 2016.

6. **Enhancing skills of students of Cardiology/Cardio-thoracic surgery:** Training of students pursuing Cardiology and Cardio-Thoracic surgery in ECG, Trans Thoracic Echocardiography (TTE) & Trans Esophageal Echocardiography (TEE). The students are trained by specialists.

Impact: 334 students trained in 2016.

7. **Another areas of focus is improving maternal and children health:**

Below is a summary of the programs which are being implemented:

In Ankleshwar, Sanofi has associated with SEWA Rural hospital to improve maternal and infant health for the tribal villages of Jhagadia.

Impact: 16,390 patients benefitted in 2016.





In Goa, in association with Voluntary Health Association of Goa, Sanofi has regularly conducted health camps in schools to check immunization status, nutritional deficiencies, personal hygiene & other chronic diseases.

Impact: 2,114 children benefitted in 2016.

Fun Centers: Sanofi has set up recreation zones, in pediatric sections of five hospitals, created to comfort the little ones, as they cope with the rigors of long term treatment and hospitalization.

Impact: 6,147 children benefitted in 2016.

Sanofi employees have shown their solidarity towards the communities. Employees give the gift of time, efforts and skills for the development of the people through the Sanofi employee volunteering platform given below:

Joy in Outreach: www.sanoficrs.in

Sanofi launched a portal to connect employees and 98 NGOs in Maharashtra. The portal was launched as a pilot in Maharashtra and will be scaled to other states in 2017.

The Company also supported organizations in their endeavor for advancement of science like basic research, fellowships and physician education via e-portals.

Composition of the Corporate Social Responsibility Committee:

Name of Director	Category
Mr. Rangaswamy Iyer	Chairman of the Committee; Independent Director
Dr. Shailesh Ayyangar	Member; Managing Director
Ms. Virginie Boucinha [Up to 1st June 2016]	Member; Non-Executive Director
Ms. Usha Thorat [From 2nd June 2016]	Member; Independent Director

Average net profit before tax of the Company for the last three financial years: Rs. 3,553.9 million

Prescribed CSR expenditure (2% of the amount as above): Rs. 71.1 million

CSR Project or Activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the state and district where projects or programs were undertaken	Amount Outlay (budget) project or programs wise (Rs. million)	Amount spent on the projects or programs Sub-heads : 1. Direct expenditure on projects/ programs 2. Overheads (Rs. million)	Cumulative expenditure up to the reporting period (Rs. million)	Amount spent: Direct or through implementing agency
Non Communicable Diseases						
Public Private Partnership with the Government of Maharashtra	Health	17 districts of Maharashtra	3.0	5.0	10.1	Implementing agencies: Project HOPE, Conexus





CSR Project or Activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the state and district where projects or programs were undertaken	Amount Outlay (budget) project or programs wise (Rs. million)	Amount spent on the projects or programs Sub-heads : 1. Direct expenditure on projects/ programs 2. Overheads (Rs. million)	Cumulative expenditure up to the reporting period (Rs. million)	Amount spent: Direct or through implementing agency
Diabetes with Dignity	Health	Pune - Baramati	10.0	3.0	3.0	PHFI (Public Health Foundation of India) and Chellaram Diabetes Institute
Saath 7	Health	Pan India	35.0	42.0	83.8	Implementing agencies - Saarthi, Alps
Action Against Diabetes	Health	Pan India	5.0	4.0	8.9	Direct
Enhancing skills of students of Cardiology / Cardio-thoracic surgery	Health Education	Pan India	5.0	5.0	5.0	GE Healthcare
Improving maternal and children health						
Reducing health inequalities around Goa and Ankleshwar	Health	Ankleshwar, Goa	2.0	1.0	2.7	Implementing agencies: SEWA Rural (NGO) Voluntary Health Association of Goa (NGO)
Misc. - Fun Centers, meetings, CSR Film, Award entries, Sri Umakant Memorial	Health	Delhi, Jodhpur, Bangalore, Mumbai and Chennai	0.1	2.0	3.3	Implementing agencies - OPPI, Bai Jerbai Wadia Hospital
Employee volunteering - Joy in Outreach	Multiple	Maharashtra	0.7	2.0	3.9	Project Heena
Grants	Health Research	Pan India	10.0	9.0	9.0	Direct
Responding to Humanitarian Emergencies	Others	Supported Nepal and J&K floods in 2015	–	–	4.8	
Total			70.8	73.0	134.5	





Shortfall in CSR spend, if any

There has been no shortfall in the CSR spend. For the financial year ended 31st December 2016, the prescribed CSR expenditure was Rs. 71.1 million and the actual CSR spend was Rs. 73.0 million.

Responsibility statement:

We hereby declare that the implementation and monitoring of the CSR policy is in compliance with CSR objectives and policy of the Company.

For and on behalf of the CSR Committee

RANGASWAMY R. IYER
CHAIRMAN, CSR COMMITTEE
DIN: 00474407

SHAILESH AYYANGAR
MANAGING DIRECTOR
DIN: 00268076

Mumbai, 16th February 2017





ANNEXURE - D TO THE REPORT OF THE DIRECTORS

FORM NO. AOC-2: MATERIAL RELATED PARTY TRANSACTIONS

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Act including certain arm's length transactions under third proviso thereto

A. Details of contracts or arrangements or transactions not at arm's length basis during the year ended 31st December 2016:

None

B. Details of material contracts or arrangements or transactions at arm's length basis during the year ended 31st December 2016:

Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Act including certain arm's length transactions under third proviso thereto are required to be disclosed in Form AOC-2. The Form AOC-2 envisages disclosure of material contracts or arrangements or transactions at arm's length basis. The details herein are as per the Policy on dealing with related party transactions adopted by the Company.

Sr. No.	Particulars	Details of Transaction - 1	Details of Transaction - 2
1	Name(s) of the related party & nature of relationship	sanofi-aventis Singapore Pte.Ltd.	Shantha Biotechnics Private Limited (SBPL)
2	Nature of contracts / arrangements / transaction	Purchase, sale, transfer or receipt of products, goods, active pharmaceutical ingredients, materials, services or other obligations, if any	Loan up to Rs.3,300 million
3	Duration of the contracts / arrangements / transaction	Ongoing	Up to 15th April 2019
4	Salient terms of the contracts or arrangements or transaction including the value, if any	On arm's length basis and in the ordinary course of business. The total value of the transactions in the financial year was Rs. 9,350 million	Loan to be given to SBPL at interest rate of 9.5% per annum payable quarterly or at such rate of interest as may be mutually decided by the Board of Directors (on the approval of the Audit Committee) and SBPL but not lower than the prevailing yield of Government security closest to the tenure of the loan. The total amount outstanding as on 31st December 2016 was Rs. 3,100 million
5	Date of approval by the Board	4th February 2016	20th February 2015 27th February 2017
6	Amount paid as advances, if any	None	None

By Authority of the Board

ADITYA NARAYAN
CHAIRMAN
DIN: 00012084

27th February 2017





ANNEXURE - E TO THE REPORT OF THE DIRECTORS DISCLOSURE ON REMUNERATION

Information pursuant to Section 134(3)(g) and Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended December 31, 2016 and forming part of the Directors' Report for the said financial year.

A. Ratio of the remuneration of each Executive Director to the Median remuneration of the Employees of the Company and Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary:

Name of Director / KMP	Designation	Ratio of remuneration of each Executive Director / Chief Financial Officer / Company Secretary to median of remuneration of Employees	Percentage increase in remuneration (%)
Dr. Shailesh Ayyangar	Managing Director	26:1	10
Mr. Ashwani Sood	Whole Time Director	24:1	15
Mr. Rajaram Narayanan	Whole Time Director	61:1	12
Mr. Lionel Guerin	Whole Time Director and Chief Financial Officer	12:1	10
Mr. Krishnaswami Subramani	Company Secretary (Till 7th November, 2016)	20:1	10
Mr. Girish Tekchandani	Company Secretary (From 8th November, 2016)	21:1	NA

The Independent Directors of the Company are entitled to sitting fees and commission as per the statutory provisions and within the limits approved by the shareholders. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Independent Directors' Remuneration is therefore not considered for the purpose above.

Non-Executive Directors who are employees of Sanofi group do not receive any sitting fees or commissions.

- B. The percentage increase in the median remuneration of employees in the financial year: 10.5%**
- C. The number of permanent employees on the rolls of the Company as on 31st December 2016: 3,623**
- D. Average Percentile increase already made in the salaries of the employees other than the managerial personnel in last financial year and comparison with percentile increase in the managerial remuneration and justification thereof:**

The Average increase in Managerial remuneration was 10% and for employees other than Managerial Personnel was 10.5%.

E. Affirmation that the remuneration is as per Remuneration Policy of the Company:

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

By Authority of the Board

ADITYA NARAYAN
CHAIRMAN
DIN: 00012084

27th February 2017





ANNEXURE - F TO THE REPORT OF THE DIRECTORS

To,
The Members,
Sanofi India Limited
CIN: L24239MH1956PLC009794
Sanofi House, CTS No.117-B,
L&T Business Park, Saki Vihar Road,
Powai, Mumbai - 400 072

Our Secretarial Audit Report for the Financial Year ended 31st December, 2016, of even date, is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, Standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For S. N. ANANTHASUBRAMANIAN & CO.
Company Secretaries

S.N.Ananthasubramanian
Partner
C.P No. 1774

Date : 16th February 2017
Place : Thane





Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st December, 2016

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
Sanofi India Limited
CIN: L24239MH1956PLC009794
Sanofi House, CTS No.117-B,
L&T Business Park, Saki Vihar Road,
Powai, Mumbai-400072

We have conducted the Secretarial Audit of the compliance with applicable statutory provisions and the adherence to good corporate practices by Sanofi India Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st December 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st December, 2016 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - To the extent applicable.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not Applicable as the Company has not issued any securities during the year under review;
 - d. The Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not Applicable as the Company has not issued any shares / options to directors / employees under the said Regulations, during the year under review;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable as the Company has not issued any debt securities during the year under review;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client - Not Applicable as the Company is not registered as a Registrar to an issue and Share Transfer Agent, during the year under review;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable as the Company has not delisted / proposed to delist its equity shares, during the year under review;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not Applicable as the Company has not bought back / proposed to buy-back any of its securities, during the year under review;





vi. The Company has identified the following laws as specifically applicable to the Company:

1. Drugs and Cosmetics Act, 1940
2. Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954
3. Drugs Pricing Control Order, 2013
4. Pharmacy Act, 1948
5. Narcotic Drugs and Psychotropic Substances Act, 1985
6. Food Safety And Standards Act, 2006

We have also examined compliance with the applicable Standards / Regulations of the following:

- (i) Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI)
- (ii) The Listing Agreement entered into with the BSE Limited and National Stock Exchange of India Limited and the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:-

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the decisions of the Board and Committees thereof were carried through with requisite majority.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the Company has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines; and

- As informed, the Company has responded to notices for demand, claims, etc. levied by various statutory/ regulatory authorities and initiated actions for corrective measures, wherever found necessary.
- As informed, no significant legal/ arbitral proceedings are pending against the Company.

We further report that during the audit period, there are no specific events/ actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to above.

For S. N. ANANTHASUBRAMANIAN & CO.
Company Secretaries

S. N. Ananthasubramanian
Partner
C.P No. 1774

Date : 16th February 2017
Place : Thane





ANNEXURE - G TO THE REPORT OF THE DIRECTORS

Form MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST DECEMBER 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

1	CIN	L24239MH1956PLC009794
2	Registration Date	02/05/1956
3	Name of the Company	Sanofi India Limited
4	Category / Sub-Category of the Company	Company limited by shares / Indian Non-Govt. Company
5	Address of the Registered office and contact details	Sanofi House, CTS NO.117-B, L&T Business Park, Saki Vihar Road, Powai, Mumbai 400 072 Tel no. (022) 28032000 Fax no. (022) 28030939 Email: igrc.sil@sanofi.com
6	Whether listed Company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited, C - 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083 Tel no. : (022) 49186270 Fax no. : (022) 49186060 E-mail : rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product / service	% to total turnover of the company
1	Manufacture and sale of pharmaceutical products	21002	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Hoechst GmbH, Brueningstrasse 50, 65926, Frankfurt am Main, Germany	Foreign Company	Holding Company	60.38	Sections 2 (46) and 2 (87)
2.	Sanofi SA, 54, rue la Boetie, Paris 75008, France	Foreign Company	Ultimate Holding Company	0.02	Sections 2 (46) and 2 (87)





IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				Shares % Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1) :	-	-	-	-	-	-	-	-	-
2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	13,909,587	-	13,909,587	60.40	13,909,587	-	13,909,587	60.40	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2) :	13,909,587	-	13,909,587	60.40	13,909,587	-	13,909,587	60.40	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	3,296,859	50	3,296,909	14.32	2,749,853	50	2,749,903	11.94	-2.3
b) Banks / FI	50,747	700	51,447	0.22	55,898	700	56,598	0.25	0.03
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	524,501	-	524,501	2.28	508,742	-	508,742	2.21	-0.07
g) FII's / FPI's	2,823,233	500	2,823,733	12.26	3,352,349	500	3,352,849	14.55	2.30
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B) (1)	6,695,340	1,250	6,696,590	29.08	6,666,842	1,250	6,668,092	28.95	-0.13
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	983,404	1,252	984,656	4.28	986,945	1,252	988,197	4.29	0.01
(ii) Overseas	-	-	-	-	-	-	-	-	-





Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				Shares % Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	943,781	221,240	1,165,021	5.06	969,175	209,840	1,179,015	5.12	0.06
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	–	–	–	–	24,373	–	24,373	0.11	0.11
c) Others	–	–	–	–	–	–	–	–	–
d) Non-Resident Indians (with repatriation benefits)	15,471	50	15,521	0.07	19,047	50	19,097	0.08	0.01
e) Non-Resident Indians (without repatriation benefits)	201,273	150	201,423	0.87	203,293	230	203,523	0.88	0.01
f) Overseas Corporate Bodies	500	–	500	–	500	–	500	–	–
g) Trusts	686	100	786	–	392	100	492	–	–
h) Clearing Members	23,245	–	23,245	0.10	3,906	–	3,906	0.02	0.08
i) Hindu Undivided Families (HUFs)	33,113	100	33,213	0.14	33,740	100	33,840	0.15	-0.01
j) Directors / Relatives	–	80	80	–	–	–	–	–	–
Sub-total (B) (2)	2,201,473	222,972	2,424,445	10.52	2,241,371	211,572	2,452,943	10.65	0.13
Total Public Shareholding (B) = (B) (1) + (B) (2)	8,896,813	224,222	9,121,035	39.60	8,908,213	212,822	9,121,035	39.60	–
Total (A+B)	22,793,985	236,637	23,030,622	100	22,806,400	224,222	23,030,622	100	–





ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total shares	
1.	Hoechst GmbH	13,904,722	60.38	–	13,904,722	60.38	–	–
2.	Sanofi SA	4,865	0.02	–	4,865	0.02	–	–
	Total	13,909,587	60.40	–	13,909,587	60.40	–	–

iii. Change in Promoters' Shareholding

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	13,909,587	60.40	13,909,587	60.40
2.	Date wise Increase in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	No transaction during the year			
3.	At the end of the year	13,909,587	60.40	13,909,587	60.40

iv. Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of Total Shares of the Company
1	Reliance Capital Trustee Co. Ltd. A/C Relianceequity Opportunities Fund	1,075,925	4.67			1,075,925	4.67
	Purchase			08/01/2016	280	1,076,205	4.67
	Purchase			15/01/2016	1670	1,077,875	4.68
	Purchase			22/01/2016	26,350	1,104,225	4.79
	Purchase			29/01/2016	2,322	1,106,547	4.80
	Purchase			05/02/2016	5,000	1,111,547	4.83
	Purchase			12/02/2016	3,050	1,114,597	4.84
	Purchase			19/02/2016	7,140	1,121,737	4.87
	Purchase			26/02/2016	18,240	1,139,977	4.95
	Purchase			04/03/2016	5,850	1,145,827	4.98





Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of Total Shares of the Company
	Purchase			25/03/2016	5,000	1,150,827	5.00
	Purchase			31/03/2016	10,000	1,160,827	5.04
	Purchase			08/04/2016	15,590	1,176,417	5.11
	Purchase			29/04/2016	450	1,176,867	5.11
	Purchase			06/05/2016	4,710	1,181,577	5.13
	Purchase			13/05/2016	5,420	1,186,997	5.15
	Transfer			20/05/2016	-8,640	1,178,357	5.12
	Transfer			10/06/2016	-15,500	1,162,857	5.05
	Transfer			17/06/2016	-58,436	1,104,421	4.80
	Transfer			30/06/2016	-386,000	718,421	3.12
	Transfer			05/08/2016	-9,000	709,421	3.08
	Transfer			02/09/2016	-14,500	694,921	3.02
	Transfer			16/09/2016	-2,000	692,921	3.01
	Transfer			07/10/2016	-20,000	672,921	2.92
	Transfer			14/10/2016	-31,500	641,421	2.79
	Transfer			11/11/2016	-61,000	580,421	2.52
	Transfer			25/11/2016	-119,000	461,421	2.00
	Transfer			31/12/2016	-7,000	454,421	1.97
	At the end of the year					454,421	1.97
2	Aberdeen Global Indian Equity Limited	968,883	4.20			968,883	4.21
	Transfer			18/11/2016	-4,299	964,584	4.19
	At the end of the year					964,584	4.19
3	UTI-Mastershare Unit Scheme	566,646	2.46			566,646	2.46
	Transfer			01/01/2016	-225	566,421	2.46
	Purchase			15/01/2016	5,661	572,082	2.48
	Transfer			05/02/2016	-387	571,695	2.48
	Transfer			04/03/2016	-172	571,523	2.48
	Transfer			25/03/2016	-740	570,783	2.48
	Transfer			31/03/2016	-4,260	566,523	2.46
	Transfer			29/04/2016	-209	566,314	2.46
	Transfer			06/05/2016	-142	566,172	2.46
	Transfer			13/05/2016	-84	566,088	2.46
	Transfer			03/06/2016	-5,858	560,230	2.43
	Transfer			30/06/2016	-4,500	555,730	2.41
	Purchase			26/08/2016	4,500	560,230	2.43
	Purchase			02/09/2016	9,000	569,230	2.47
	Purchase			30/09/2016	8,100	577,330	2.51





Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of Total Shares of the Company
	Purchase			28/10/2016	3,600	580,930	2.52
	Purchase			04/11/2016	9,000	589,930	2.56
	Purchase			11/11/2016	18,000	607,930	2.64
	Purchase			18/11/2016	4,500	612,430	2.66
	At the end of the year					612,430	2.66
4	Birla Sun Life Trustee Company Private Limited A/C Birla Sun Life Frontline Equity Fund	476,603	2.07			476,603	2.07
	Purchase			01/01/2016	12,000	488,603	2.12
	Purchase			12/02/2016	900	489,503	2.13
	Purchase			11/03/2016	250	489,753	2.13
	Purchase			08/04/2016	8,305	498,058	2.16
	Transfer			15/04/2016	-800	497,258	2.16
	Purchase			17/06/2016	4,500	501,758	2.18
	Purchase			08/07/2016	5,675	507,433	2.20
	Purchase			22/07/2016	600	508,033	2.21
	Purchase			05/08/2016	5,500	513,533	2.23
	Purchase			02/09/2016	40,000	553,533	2.40
	Purchase			23/09/2016	100	553,633	2.40
	Purchase			07/10/2016	20,000	573,633	2.49
	Purchase			21/10/2016	150	573,783	2.49
	Purchase			28/10/2016	5,000	578,783	2.51
	Transfer			04/11/2016	-539	578,244	2.51
	Purchase			11/11/2016	320	578,564	2.51
	Purchase			02/12/2016	1,300	579,864	2.52
	Transfer			09/12/2016	-1,064	578,800	2.51
	At the end of the year					578,800	2.51
5	Life Insurance Corporation of India	418,989	1.82			418,989	1.82
	Transfer			26/02/2016	-5,393	413,596	1.80
	Transfer			04/03/2016	-4,340	409,256	1.78
	Transfer			11/03/2016	-2,378	406,878	1.77
	Transfer			18/03/2016	-3,648	403,230	1.75
	At the end of the year					403,230	1.75
6	Aberdeen Global-Asian Smaller Companies Fund	530,163	2.30			530,163	2.30
	Transfer			01/01/2016	-3,730	526,433	2.29
	Transfer			08/01/2016	-49,270	477,163	2.07





Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of Total Shares of the Company
	Transfer			22/01/2016	-117,000	360,163	1.56
	At the end of the year					360,163	1.56
7	Franklin Templeton Mutual Fund A/C Franklin India High Growth Companies Fund	395,000	1.72			395,000	1.72
	Transfer			22/01/2016	-100,000	295,000	1.28
	Transfer			05/02/2016	-1,674	293,326	1.27
	Transfer			12/02/2016	-12,000	281,326	1.22
	Transfer			11/03/2016	-4,912	276,414	1.20
	Transfer			18/03/2016	-851	275,563	1.20
	Purchase			08/04/2016	2,437	278,000	1.21
	Transfer			15/04/2016	-12,000	266,000	1.16
	Purchase			03/06/2016	6,000	272,000	1.18
	Purchase			17/06/2016	4,000	276,000	1.20
	Purchase			07/10/2016	39,000	315,000	1.37
	Purchase			25/11/2016	10,000	325,000	1.41
	At the end of the year					325,000	1.41
8	HDFC Standard Life Insurance Company Limited	321,200	1.39			321,200	1.39
	Purchase			15/01/2016	80	321,280	1.40
	Purchase			22/01/2016	918	322,198	1.40
	Transfer			29/01/2016	-1,851	320,347	1.39
	Purchase			19/02/2016	5	320,352	1.39
	Transfer			26/02/2016	-3,000	317,352	1.38
	Transfer			04/03/2016	-6,925	310,427	1.35
	Transfer			11/03/2016	-1,640	308,787	1.34
	Transfer			18/03/2016	-17,817	290,970	1.26
	Transfer			31/03/2016	-20,000	270,970	1.18
	Transfer			08/04/2016	-15,730	255,240	1.11
	Transfer			29/04/2016	-150	255,090	1.11
	Transfer			20/05/2016	-18	255,072	1.11
	Transfer			17/06/2016	-125	254,947	1.11
	Purchase			02/09/2016	37	254,984	1.11
	Transfer			16/09/2016	-160	254,824	1.11
	Purchase			23/09/2016	161	254,985	1.11
	Transfer			30/09/2016	-1,566	253,419	1.10
	Purchase			07/10/2016	15,000	268,419	1.17
	Transfer			14/10/2016	-1,633	266,786	1.16
	Purchase			21/10/2016	4,199	270,985	1.18





Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of Total Shares of the Company
	Purchase			28/10/2016	1,781	272,766	1.18
	Transfer			18/11/2016	-384	272,382	1.18
	Transfer			25/11/2016	-153	272,229	1.18
	Transfer			02/12/2016	-4,133	268,096	1.16
	Transfer			09/12/2016	-73	268,023	1.16
	Transfer			16/12/2016	-855	267,168	1.16
	Purchase			23/12/2016	959	268,127	1.16
	Transfer			30/12/2016	-92	268,035	1.16
	At the end of the year					268,035	1.16
9	The India Fund INC	300,000	1.30			300,000	1.30
	Transfer			08/01/2016	-40,000	260,000	1.13
	At the end of the year					260,000	1.13
10	Axis Mutual Fund Trustee Ltd. A/C Axis Mutual Fund A/C Axis Midcap Fund	222,215	0.96			222,215	0.96
	Purchase			06/05/2016	2,000	224,215	0.97
	Transfer			26/08/2016	-30,000	194,215	0.84
	Transfer			07/10/2016	-90,715	103,500	0.45
	Purchase			11/11/2016	4,475	107,975	0.47
	At the end of the year					107,975	0.47
11	Pinebridge Investments GF Mauritius Limited	-	-			-	-
	Purchase			29/01/2016	199,508	199,508	0.87
	Purchase			30/06/2016	267,595	467,103	2.03
	Purchase			02/09/2016	7,118	474,221	2.06
	Purchase			07/10/2016	29,500	503,721	2.19
	Purchase			25/11/2016	99,706	603,427	2.62
	At the end of the year					603,427	2.62





v. Shareholding of Directors and Key Managerial Personnel (KMP)

Sr. No.	Name of the Director and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year
		No. of Shares	% of total Shares of the Company	
1.	Dr. Vijay Mallya, Chairman	80	–	80
	At the beginning of the year	–	–	–
	Increase/ Decrease in shareholding	Refer Note 1	–	Refer Note 1
2.	Mr. Krishnaswami Subramani, KMP (Company Secretary)	300	–	300
	At the beginning of the year	–	–	–
	Increase/Decrease in shareholding	Refer Note 1	–	Refer Note 1
	At the end of the year			

Note 1 - Not a Director / KMP as on 31st December, 2016.

No other Director or KMP holds shares in the Company.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	–	–	–
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	–	–	–	–
Change in Indebtedness during the financial year				
Addition	–	–	–	–
Reduction	–	–	–	–
Net Change	–	–	–	–
Indebtedness at the end of the financial year				
i) Principal Amount	–	–	–	–
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due				
Total (i+ii+iii)	–	–	–	–





VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(In Rs. million)

Sl.	Particulars of Remuneration	Name of the Director				Total Amount
		Dr. Shailesh Ayyangar Managing Director	Mr. Lionel Guerin Chief Financial Officer and Wholetime Director	Mr. Rajaram Narayanan Wholetime Director	Mr. Ashwani Sood Wholetime Director	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13.7	6.3	27.8	10.9	58.7
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	2.4	6.5	5.4	1.0	15.3
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
6.	Total (A)	16.1	12.8	33.2	11.9	74.0
7.	Ceiling as per the Act	Rs. 465.9 million being 10% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013				

B. Remuneration to other directors

Independent Directors

(In Rs. million)

Particulars of Remuneration	Name of Director					Total Amount
	Mr. Aditya Narayan	Mr. Subhash R. Gupte	Mr. A. K. R. Nedungadi	Mr. Rangaswamy R. Iyer	Ms. Usha Thorat	
Fee for attending Board / Committee meetings	0.21	0.84	0.84	0.76	0.42	3.07
Commission	0.93	0.70	0.70	0.70	0.47	3.50
Others, please specify	-	-	-	-	-	-
Total B (1)	1.14	1.54	1.54	1.46	0.89	6.57





Other Non-Executive Directors

(In Rs. million)

Particulars of Remuneration	Name of Director					Total Amount
	Dr. Vijay Mallya	Mr. Jerome Silverstre	Mr. Francios Briens	Mr. Patrick Chocat	Ms. Virginie Boucinha	
Fee for attending Board / Committee meetings	0.12	–	–	–	–	0.12
Commission	0.47	–	–	–	–	0.47
Others, please specify	–	–	–	–	–	–
Total B (2)	0.59	–	–	–	–	0.59
Total (B) = (B1 + B2)						7.16
Total Managerial Remuneration						81.16
Overall Ceiling as per the Act	Rs. 512.5 million (being 11% of the Net Profit of the Company as calculated as per Section 198 of the Companies Act, 2013)					

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(In Rs. million)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel Mr. Krishnaswami Subramani Company Secretary Till 7th November 2016	Key Managerial Personnel Mr. Girish Tekchandani Company Secretary From 8th November 2016
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.1	1.3
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.1	0.1
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–
2.	Stock Option	–	–
3.	Sweat Equity	–	–
4.	Commission - as % of profit - others, specify	–	–
5.	Others, please specify	–	–
6.	Total	7.2	1.4





VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / Court]	Appeal made, if any (give details)
A. Company					
Penalty			NONE		
Punishment					
Compounding					
B. Directors					
Penalty			NONE		
Punishment					
Compounding					
C. Other Officers In Default					
Penalty			NONE		
Punishment					
Compounding					

By Authority of the Board

ADITYA NARAYAN
CHAIRMAN
DIN: 00012084

27th February 2017





MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and developments

As per the estimates of IMS TSA Dataset, the Indian Pharmaceutical Market for the year ended 31st December 2016 was at over Rs. 1,125 billion, growing at 11% over the previous year. The IMS Prognosis Report September 2016 estimates that the Indian Pharmaceutical market grew at 12% per annum in the past 5 years and projects that it will continue to grow at ~12-13% per annum over the next 5 years. The growth of Indian pharmaceutical market is driven by increasing consumer spending, rapid urbanization and rising healthcare insurance among other factors.

Branded generics dominate the pharmaceuticals market, constituting nearly 80% of the market share in terms of revenues. Locally-manufactured generics are likely to continue to dominate the market, but they are traditional business models may face growing challenges as access to new molecules decline and price controls squeeze margins. Accordingly, leading domestic manufacturers are likely to continue to build their presence in high-value, difficult-to-access market niches, and several of them are investing heavily in the emerging bio-similars.

It is estimated that local industry consolidation could gather pace over next few years. Consolidation will be hastened by a combination of factors, including the recent ban on Fixed Dose Combinations (FDCs), competitive pressure, imposition of tighter quality standards and the expansion of price controls.

The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacturing. Approval time for new facilities has been reduced to boost investments.

The Uniform Code of Pharmaceutical Medical Practices (UCPMP), which is currently a voluntary code promulgated by the Department of Pharmaceuticals to implement ethical marketing practices, is expected to become mandatory. Your Company is already following strict guidelines with regard to ethical dealings with Healthcare Professionals (HCPs), and welcomes this initiative in the overall interest of the image of your industry and for the benefit of patients.

Financial Performance

During the year ended 31st December 2016, your Company registered Net Revenue from Operations of Rs. 23,686 million as against Rs. 21,931 million in the previous year, representing a growth of 8%.

Net Revenue from India contributed 73% of Net Revenue from Operations, increased from Rs. 16,152 million in 2015 to Rs. 17,285 million in 2016, representing a growth of 7%.

Net Revenue outside India contributed to 27% of Net Revenue from Operations, increased from Rs. 5,779 million in 2015 to Rs. 6,401 million in 2016, representing a growth of 10.8%.

Profit before Tax and Exceptional items increased from Rs. 3,971 million to Rs. 4,661 million, representing a growth of 17%. The Profit after Tax and before exceptional items increased from Rs. 2,377 million to Rs. 2,970 million, representing a growth of 25% for the year ended 31st December 2016.

Results for Profit after Exceptional after Tax and need to keep in view that there had been high exceptional gain in 2015. The Company had sold one floor of Hoechst House building for a consideration of Rs. 258 million and accounted net gain of Rs. 159 million (net of tax of Rs. 85 million). Further during November 2015, the Company sold Aventis House for a consideration of Rs. 1,110 million and accounted net gain of Rs. 679 million (net of tax of Rs. 359 million). The net gain arising from the sale of these assets was included as exceptional gain in the financial year ended 31st December 2015.

Operating Performance

Your Company is amongst the leading multinational companies in the Pharmaceutical Market. Over the years, it has demonstrated its commitment towards patients by building expertise, capability and capacity, through investments and strategic partnerships.

As on 31st December 2016, your Company had 3,623 employees, two state-of-the-art manufacturing sites in Ankleshwar and Goa and exports to 48 countries.

Your Company offers a wide variety of therapeutic solutions across Diabetes, Cardiovascular diseases, Anti-infectives, Central Nervous System, Consumer healthcare, Nutraceuticals, Anti-histamines etc.

Four products of your Company viz. Lantus®, Combiflam®, Clexane® and Allegra® feature in the top 100 pharmaceutical brands in India. Lantus® was the eighth ranked brand in the Indian Pharmaceutical Market as of MAT December 2016 (IMS dataset).





Given below are the key operational highlights of key therapeutic areas. The value and volume growths mentioned are as per IMS TSA MAT December 2016.

Diabetes

As per the International Diabetes Federation, India has the second largest diabetic population in the world having approximately 70 million diabetic patients and hence there is a need for quality medicines at affordable price. Your Company is among the top companies in Diabetes with a significant presence in oral anti diabetics and Insulins. With some of the flagship brands like Lantus® and Amaryl®, this business contributes to over 25% of the sales and touched lives of close to 1.5 million diabetic patients in India. This Diabetes team won the CIMS Healthcare Excellence Award for the best Diabetes portfolio.

The insulin portfolio has continued to grow double digits with its presence in Basal and Premix categories. The oral portfolio has continued to grow with established brand like Amaryl® aided by the strong performance of the line extensions like Amaryl® M and Amaryl® MV. With the vision of fostering an environment that creates a better understanding of Diabetes and supports children with Diabetes, the Diabetes team has put in place a program which has trained 4,000 teachers and 35,000 students across 23 cities in 2016.

A key initiative in the year 2016 has been the 'Diabetes with Dignity' program. The program aims to empower the Community Health Workers (CHWs), particularly the Accredited Social Health Activists (ASHAs) to support with Diabetes care and build the capacity of the medical officers of the Primary Health Centers to impact Diabetes management in rural India, in partnership with Chellaram Diabetes Institute, Public Health Foundation of India and Ministry of Health to create a sustainable care model.

Sanofi has always focused on high quality scientific interactions with HCPs, sharing the latest updates in the management of Diabetes, and driving awareness and diagnosis through meetings, symposia and national conferences. A series of medical education programs aimed at educating physicians on appropriate and early Basal insulin initiation were conducted. A series of symposia were also conducted on building conviction on the superiority and safety of modern Sulphonylureas and their continued relevance in the treatment of Diabetes.

Lantus® grew by 28% in value terms. It continues to be the number 1 brand in the basal analog market. Lantus® won the prestigious AWACS AIOCD industry award as the best brand of the year - Gold category for Marketing Excellence for the second year in a row.

Insuman® cartridges grew at about 38% and Apidra® grew at 54% in value terms through focus on 'Drive Basal Bolus' usage in hospitals by developing uniform protocol for in-patient management under which 300 hospitals have been covered and 500 HCPs have been trained through workshops involving expert HCPs.

Allstar™ pens, indigenously manufactured by your Company, have helped initiation of patients on the insulin portfolio. Around 1.6 lakh pens have been given free of cost to help initiation and reduce overall cost of therapy to the patient.

Amaryl® group continued to grow in value terms by 13%, despite the 20% price cuts on the brand. Cetapin® group grew over 6% in volume terms, despite price cuts and is ranked 8th brand in the crowded Metformin market.

Cardiology

Your Company is present in anti-hypertensive drugs like Angiotensin Converting Enzyme Inhibitors (ACEi), Diuretics, Angiotensin Receptor Blockers (ARB) and Beta Blockers.

Cardace® group, the flagship brand, continues to grow in volumes at ~4% despite being in the market for over two decades and facing price cuts. It continues to be the number 1 ACE Inhibitor prescribed by Cardiologists, Diabetologists and Consulting Physicians. Key activities which have supported this include partnership with DOCPLEXUS to engage Cardiologists / Cardio Physicians and Cardio-Thoracic surgeons on-line. Six videos of eminent cardiologists were posted on relevant topics in the management of Cardio Vascular disorders. Another key initiative has been conducted in collaboration with GE for conduct of ECG / ECHO / TEE workshops. These programs are driven by industry experts with long and rich experience and include hands-on training on a high-end simulator. These training programs have been conducted across the country and have regularly received very good response.

There has been continued focus on highly scientific interactions with HCPs and driving awareness in the area of management of hypertension.





Consumer Healthcare

Your Company acquired the Nutraceutical portfolio of Universal Medicare in 2011. The creation of two teams namely Bone and Joint team and Women's Health team with clear focus on strategic brands such as Collaflex®, FreeFlex™, DePURA by Sanofi™, E Cod Plus®, Multivite Gold® and Myoril®, has helped the growth of this portfolio. New launches such as Collaflex PRO®, CoQ LC® and DePURA by Sanofi™ contributed as growth engines. DePURA by Sanofi™ won the OPPI Marketing Excellence award 2016 for the New Product Category and CoQ® received the CIMS UBM Nutraceutical award.

The Bone and Joint team has driven scientific sessions and meetings with Orthopedicians to successfully establish the role of Collagen and Glucosamine and Chondroitin for cartilage health. Women's health team conducted activities wherein evidence based scientific information was shared with physicians related to infertility (COQ®), breast disease understanding (Primosa®) and healthy pregnancy (Aminofit® Forte) along with the right Vitamin D3 therapy (DePura by Sanofit™).

Your Company's iconic brands such as Combiflam® and Soframycin® continued to grow with larger reach to pharmacies and distributors. A trade program launched amongst wholesalers held sustained growth of these iconic brands. Combiflam® group grew 8% in value terms and is the second largest brand in the Non-steroidal Anti-inflammatory Drugs (NSAID) market.

Hospitals

Your Company is present in Thrombosis and high-end injectable Anti-infective categories. Clexane® continues to be the number 1 anticoagulant and grew 4% in volumes post the lower price revision. The team launched SEAD (Sharing Expertise in Managing Thrombotic Disorders) program with the objective to improve patient care in the country by bridging gaps in current clinical practices by partnering with SMEs from India and Royal College of Physicians, London by co-creating certified course curriculum helping clinicians across the country to better diagnose, understand and manage patients at risk of developing thrombotic complications. The program included Advisory Boards and cascading train-the-trainer workshops for 2,000 clinicians across India. The team also conducted a series of scientific medical symposia to improve the awareness of the risk of Deep Vein Thrombosis (DVT).

CNS

In the Epilepsy market, Frisium® grew at 13% in volume terms and is ranked number 6 in the highly competitive anti-epileptic market. One of the successful initiatives of the team is "Seizure Free India" campaign, running successfully for over eight years. It aims at increasing patient awareness of epilepsy and its management with the support of HCPs. The team has also conducted a number of scientific programs aimed bringing latest updates to the Neurologists in the field of Neurology and recent advances in the management of epilepsy. These updates were also shared with HCPs through participation in national and international conferences.

Anti-Histamines

One of the flagship brands of your Company, Allegra® group grew over 19% in value terms. It is the number 1 brand in the anti-histamine market and Allegra® suspension is the number 2 brand in the liquid anti-histamine market. Year 2016 has been a busy year for Allegra® with a series of activities happening around the year engaging over to 10,000 HCPs across specialties. The brand team played a leadership role in celebrating the World Allergy week with an In-Clinic / Ex-clinic awareness drive in the month of April and along with the Global Allergy team launched Pollution Campaign in India to highlight the link and association of Indoor & Outdoor Pollution with Allergies. Another milestone for Allerga® was achieved in the month of July where your Company launched the reduced mass tablets of Allegra® with same strength. For the first time in the world, Allegra® (120/180 mg) was presented to the HCPs in a 40% reduced mass.

The team stepped up the scientific marketing activities with surgical workshop based Continuous Medical Education programs (CMEs) for ENT specialists and cross-specialty CMEs for discussions related to allergies.

Manufacturing Operations

At the beginning of the financial year, your Company participated in the "Make in India" week, an initiative launched by Honorable Prime Minister to transform India into a Global design and manufacturing hub. The opportunity showcased Sanofi's strong Industrial footprints in India. Sanofi's 'Make in India' efforts over six decades has facilitated investments and allowed it to emerge from a traditional pharmaceutical mindset to a best in-class healthcare solutions provider with best in-class quality and safety standards.





Your Company manifested the "Make in India" theme in practice by embarking upon major capital expenditure and commissioning of critical projects. These investments across the spectrum of compliance, capacity increase, automation and productivity will enable Sanofi to take the big leap to deliver its strategic priorities and accelerate growth. Serialization (Track and Trace system), Compression & Packing capacity increase, Co-generation, Short Path Distillation Unit (SPDU) and Warehousing & Utilities upgradation clearly demonstrate the commitment in building the Company for tomorrow. Waste Water Treatment Plant (WWTP) was expanded and upgraded at Goa site and is now capable of treating waste water for the increasing volumes.

Your Company has made significant progress with Sanofi Manufacturing System (SMS), launched in 2015 with a robust structure and commitment. Implementation of new LEAN tools i.e. GEMBA Problem solving tool, Overall Process Efficiency (OPE) and Total Productive Management (TPM) will enhance operational excellence and provide safe and high quality medicines. Introduction of 3Ps (Piloting, Performance, Plan) at API manufacturing site is an enabler for business performance and competitiveness.

Ankleshwar site successfully completed MHRA Inspection, GMP audit, inspections by Taiwan FDA as well as SAUMP Ukraine. Critical GMP certificate renewals include TGA for Australia and WHO & State GMP / ISO13485 for Allstar Medical Device. Goa site completed ISO 14001 and OHSAS 18001 audits with zero non compliances. External Manufacturing team also led successful inspection at 'Lactose India' site by MoH Ukraine.

Sanofi's manufacturing capabilities continued to break new ground, delivering a combined volume of 10.3 billion units of tablets and other dosage forms. Goa site won Metformin German AOK tender for the 3rd consecutive time, securing business till 2018. Ankleshwar Pharma added to business through more products supply for EU countries. Chemistry and Biochemistry Development (C&BD) center established towards end of 2015 made significant contributions to Sanofi in 2016 with the development of two R&D Intermediates - Apixaban and Saxagliptin. Ankleshwar site obtained No Objection Certificate (NOC) & Consolidated Consent Authorization (CCA) from Gujarat Pollution Control Board for increase in API production volume to 501.5 MT/year. Your Company continued to leverage its R&D expertise for new product development with the successful launch of Allegra Reduced Mass.

Your Company has reinforced high levels of Product safety and patient security with introduction of Anti-counterfeit measures like Serialization and New Hologram introduced for AllStar pens.

Medical Affairs

In year 2016, the Medical Affairs team, in collaboration with the Clinical Study Unit, Publications, Quality, and Marketing and Sales teams, undertook several initiatives that successfully enhanced the scientific reputation of the organization.

In Diabetes - Insulins team, the key focus was on developing protocols for management of hyperglycemia in the hospital settings. Sanofi supported the conceptualization and roll-out of the iHOP (in-hospital optimization program) by Endocrine and Diabetes Foundation (EDF) & Associates in Clinical Endocrinology Education and Research (ACEER). Through Sanofi's academic support, the Research Society for Study of Diabetes in India (RSSDI) released guidelines on In-Hospital Management of Hyperglycemia. In the oral portfolio, your Company supported the roll out of Safe & Smart Summits by the South Asian Federation of Endocrine Societies (SAFES). This developed consensus on use of Sulfonylureas in Diabetes which was cascaded across the country for the benefit of physicians at large. Additionally, LINKS and Endosphere CMEs were rolled out across the country with scientific content & certification of the Endocrine Society, USA. Your Company also conducted International Speaker Programs (ISPs) and supported scientific sessions on the latest updates in Diabetes management in National & International Conferences. Two scientific papers from your Company were presented as posters in the RSSDI national conference. Advisory Board Meetings were conducted to gather expert insights and advice on the existing portfolio and to understand the need gap for future therapies. Several studies were initiated / conducted, which include the IDMPS Wave-5 (Cost of Illness), IDMPS Wave-7, Health Economic Outcome study in collaboration with a Government Institute (Southern Railway Hospital, Chennai) and an investigator sponsored study on use of basal plus vs premix insulin. Another large study was conceptualized and initiated by your Company in 2016 (LANDMARC Study). This will generate long-term, real-world outcome data in patients with Type 2 Diabetes in India. An app based interface between the patient counsellor and physician has also been piloted as part of the digital innovation for the patient support program, Saath-7.

In the area of Neurology, your Company participated in National Epilepsy Expert forums, International Speaker programs focusing on improving physician education on the Epilepsy management. In the area of Psychiatry, your Company conducted physician education and public awareness through international speaker programs and awareness drives.





Several meetings on the United Airway Diseases a rapidly increasing problem due to air pollution burden were held across the country to develop recommendations on management of Allergic Rhinitis with Asthma. Digital is increasingly becoming a common means of communication in communities and doctors are not isolated from this phenomenon. The Cardiology unit of your Company initiated a digital community network called "Cardioconnect" to disseminate knowledge amongst cardiologists of latest developments in the field. Thrombotic diseases like acute coronary syndrome and deep vein thrombosis are increasing in the country. 200 physicians were trained in these conditions through the SEAD (Sharing Expertise in Managing Thrombotic Disorders), an initiative in partnership with Royal College of Physicians.

Clinical Research is the key to the development of new drugs and therapies. Since the effect of the drug is unknown, various aspects, including safety, ethics and regulatory have to be taken into consideration while conducting clinical trials. This demands that investigators, hospital staff and ethics committee members are properly trained and made aware of all the aspects of clinical research. This will ensure that the data received is accurate and credible and the rights, safety and well-being of the Clinical trial participant are properly taken care of. To meet the challenges of this highly regulated industry, Sanofi routinely conducts training workshops called Clinical Excellence Programs (CEPs) for different stakeholders in clinical research. As a part of your Company's knowledge-sharing mission, training programs were conducted covering over 60 attendees at hospitals across the country. These programs included training sessions on areas emphasizing ethical practice in clinical research with viewpoints from key opinion leaders and other relevant stakeholders involved in trials.

Human Resources

Your Company had 3,623 employees as on 31st December 2016.

The overall industrial relations atmosphere continued to be cordial.

Negotiations are continuing with internal Union representing the Medical Representatives on their Charter of Demands as the earlier settlement had expired in March 2016. Negotiations are continuing with the Union representing the workmen in the Goa factory on their Charter of Demands as the earlier settlement had expired in March 2014. A fresh Charter of Demands has been received from the Union representing the workmen in the Ankleshwar factory as the earlier settlement was valid till 31st December 2015.

Internal Audit and Control

Your Company's internal systems are adequate and commensurate with the size of operations. These controls ensure that transactions are authorized, recorded and reported on time. They ensure that assets are safe guarded and protected against loss or unauthorized disposal.

The Internal Audit department carried out audits in different areas of your Company's operations. Post-audit reviews were carried out to ensure that audit recommendations were implemented. The Audit Committee of the Board of Directors reviewed the audit programme and findings of the Internal Audit department.

Opportunities and Threats

Increasing affordability among the fast growing middle class coupled with improving medical infrastructure and rising insurance penetration will continue to drive the growth of the industry.

Chronic, non-communicable diseases (like cardiovascular diseases, respiratory diseases and type-2 Diabetes) are being diagnosed with increasing frequency. Number of type-2 Diabetes patients is expected to increase significantly.

New product launches will also contribute to market growth. Some of the very stringent clinical trial requirements are being eased, allowing faster access to the market for new drugs.

The hospital segment in particular is expected to grow at a significant rate with continuing expansion of the corporate hospitals groups, especially in the metro cities.

Price controls were expanded significantly with the implementation of the Drug Price Control Order, 2013 (DPCO 2013) and their scope was further increased following the latest update of the NLEM, bringing the total number of drugs subject to price controls to 376.





In December 2015, the Ministry of Health and Family Welfare had notified the National List of Essential Medicines, 2015 (NLEM 2015). This list now includes some of major products of your Company namely Amaryl®, Brodactum®, Cardace®, Cetapin®, Frisium® and Taxotere® in addition to Arava®, Avil®, Clexane®, Lasix® and Insuman® which were already included in NLEM, 2011.

In March 2016, the Government amended DPCO, 2013 to incorporate NLEM 2015 in Schedule I of DPCO, 2013. Following this, National Pharmaceutical Pricing Authority (NPPA) fixed the ceiling prices of these medicines and your Company reduced the prices of the above medicines in compliance with the reduced ceiling prices. This has affected the profitability of your Company.

Following a review of some 5,500 Fixed Dose Combinations (FDC), the Drug Controller General of India (DCGI) announced a ban on the sale of 344 FDCs in March 2016.

After the expected implementation of Goods and Services Tax replacing a plethora of Central and State taxes, Supply Chain management of your Company's products may undergo a significant change.

Outlook

Your Company will continue to face the annualized negative impact of price cuts imposed in year 2016. Due to this reason, the growth of domestic business will be muted in value terms but the focus will be to drive the volume growth. The export business is likely to grow steadily.

On manufacturing side, your Company is in process to unveil a strategic project to improve its competitiveness and productivity through operational improvements as a part of a specially designed program named 'Fit for Future' at both manufacturing sites.

Cautionary Note

Certain statements in the above Report may be forward looking and are stated as required by legislations in force. The actual results may be affected by many factors that may be different from what is envisaged in terms of future performance and outlook presented above.





REPORT ON CORPORATE GOVERNANCE

Company's philosophy on Code of Governance

Sanofi India Limited (the Company) believes in and adheres to good corporate governance practices, implements policies and guidelines, communicates and trains all its stakeholders to develop a culture of compliance at every level of the organization. The Company's philosophy is aimed at assisting the management of the Company in the efficient conduct of the business and in meeting its obligations to all its stakeholders.

The Company is in compliance with the provisions of Corporate Governance specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Board of Directors

The Company is in compliance with the Corporate Governance norms in terms of constitution of the Board of Directors (the Board). The Board of the Company is composed of eminent individuals from diverse fields.

As on the date of this report, the Board of Directors comprises twelve Directors, including five Independent Directors. The Chairman of the Company is a Non-executive Independent Director.

The details of the Directors during the financial year ended 31st December 2016 are given below:

Name	Category	No. of Directorships / Committee Memberships/ Chairmanships (Including Sanofi India Limited) as on 31st December, 2016				
		Directorships ⁽¹⁾ under Section 165			Committee Memberships ⁽²⁾	Committee Chairmanships in listed Companies ⁽³⁾
		Public Companies		Private and Section 8 Companies		
		Listed	Unlisted			
Dr. Vijay Mallya [Up to 29th April 2016]	Non-Executive Director and Chairman	Refer Note 4	Refer Note 4	Refer Note 4	Refer Note 4	Refer Note 4
Mr. Aditya Narayan [From 30th April 2016]	Independent Director and Chairman	4	–	–	4	2
Dr. Shailesh Ayyangar	Managing Director	1	1	5	2	–
Mr. A. K. R. Nedungadi	Independent Director	3	–	–	4	1
Mr. Rangaswamy R. Iyer	Independent Director	1	1	3	2	–
Mr. Subhash R. Gupte	Independent Director	1	1	2	2	2
Ms. Usha Thorat [From 30th April 2016]	Independent Director	1	3	–	3	–
Mr. Francois Briens	Non-Executive Director	1	–	–	–	–
Ms. Virginie Boucinha [Up to 1st June 2016]	Non-Executive Director	Refer Note 4	Refer Note 4	Refer Note 4	Refer Note 4	Refer Note 4
Mr. Lionel Guerin [Alternate to Mr. Francois Briens till 1st June 2016]	Whole Time Director and CFO	1	–	3	1	–
Mr. Jerome Silvestre	Non-Executive Director	1	–	–	–	–
Mr. Patrick Chocat	Non-Executive Director	1	–	–	–	–
Mr. Rajaram Narayanan	Whole Time Director and Alternate to Mr. Jerome Silvestre	1	–	–	–	–
Mr. Ashwani Sood	Whole Time Director and Alternate to Mr. Patrick Chocat	1	–	–	–	–





Notes:

1. Excluding directorships outside of India.
2. Membership in Audit Committee and Stakeholder Relationship Committee of all public limited companies as on 31st December 2016, whether listed or not, including Sanofi India Limited.
3. Chairmanship in Audit Committee and Stakeholder Relationship Committee of all listed companies as on 31st December 2016, including Sanofi India Limited.
4. Ceased to be Directors during the year. Year-end disclosure was not required.

As of 31st December 2016, none of the Directors of the Company hold shares in the Company.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 (the Act) and Listing Regulations.

There are no inter-se relationships between the Directors of the Company.

Details of Independent Directors' familiarization program are part of the Directors' Report.

Board Meetings

During the year ended 31st December 2016, six Board Meetings were held on 4th February 2016, 23rd March 2016, 29th April 2016, 2nd June 2016, 22nd July 2016 and 7th November 2016.

Attendance details of each Director at the Board Meetings during the financial year ended 31st December 2016 and the last Annual General Meeting are given below:

Name of Director	No. of Board Meetings held during the tenure of the Director	No. of Board Meetings attended	Attendance at last AGM held on 29th April 2016
Dr. Vijay Mallya	3	2	No
Mr. Aditya Narayan	3	3	Refer Note 1
Dr. Shailesh Ayyangar	6	6	Yes
Mr. A. K. R. Nedungadi	6	6	Yes
Mr. Rangaswamy R. Iyer	6	5	Yes
Mr. Subhash R. Gupte	6	6	Yes
Ms. Usha Thorat	3	3	Refer Note 1
Mr. Francois Briens	6	2	Yes
Ms. Virginie Boucinha	3	1	No
Mr. Lionel Guerin	6	5	Yes
Mr. Jerome Silvestre	6	1	Yes
Mr. Patrick Chocat	6	1	Yes
Mr. Rajaram Narayanan	5	4	Refer Note 2
Mr. Ashwani Sood	5	5	Refer Note 2

Notes:

1. Not a Director on the date of Annual General Meeting.
2. Original Director for which Alternate Director is appointed was present at Annual General Meeting.

Mr. Subhash R. Gupte is the Chairman of the Audit Committee and Stakeholder Relationship Committee. He was present at the Annual General Meeting of the Company.





Audit Committee

The terms of reference of the Audit Committee are covering the matters specified for Audit Committees under Regulation 18 read with Part C of Schedule II to the Listing Regulations and Section 177 of the Act.

The terms of reference of the Audit Committee include Examination of Financial Statements and Statutory Auditors' report thereon and discussion of any related issues with the Internal & Statutory Auditors and the management of the Company; approval or any subsequent modification of arrangements / transactions of the Company with related parties; evaluation of internal financial controls; evaluation of risk management system; review of Company's financial reporting processes and the disclosure of financial information to ensure that the Financial Statement is correct, sufficient and credible.

During the year ended 31st December 2016, six Audit Committee Meetings were held on 3rd February 2016, 3rd March 2016, 29th April 2016, 22nd July 2016, 13th October 2016 and 7th November 2016.

The constitution of the Audit Committee and attendance details during the financial year ended 31st December 2016, are given below:

Name of Director	Category	No. of Committee Meetings held during the tenure of the Director	No. of Committee Meetings attended
Mr. Subhash R. Gupte	Chairman of the Committee; Independent Director	6	6
Mr. A. K. R. Nedungadi	Member, Independent Director	6	6
Mr. Rangaswamy R. Iyer	Member, Independent Director	6	5
Ms. Usha Thorat [From 2nd June 2016]	Member, Independent Director	3	3
Dr. Shailesh Ayyangar	Member, Managing Director	6	6

The Company Secretary acts as Secretary to the Committee.

Nomination & Remuneration Committee

The terms of reference of the Committee are in line with the requirements of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations.

The terms of reference of the Committee include:

1. Formulation of the remuneration policy for the Directors, Key Managerial Personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons for Board and senior management positions.

During the year ended 31st December 2016, three Nomination and Remuneration Committee Meetings were held on 4th February 2016, 23rd March 2016 and 7th November 2016.





Constitution of the Nomination and Remuneration Committee and attendance details during the financial year ended 31st December 2016, are given below:

Name of Director	Category	No. of Committee Meetings held during the tenure of the Director	No. of Committee Meetings attended
Mr. Subhash R. Gupte	Chairman of the Committee; Independent Director	3	3
Mr. A. K. R. Nedungadi	Member, Independent Director	3	3
Mr. Rangaswamy R. Iyer	Member, Independent Director	3	3
Ms. Usha Thorat [From 2nd June 2016]	Member, Independent Director	1	1

Remuneration Policy

The remuneration policy of the Company is performance driven and is designed to motivate employees, recognize their achievements and promote excellence in performance.

The Policy provides guidance on:

- (1) Selection and nomination of Directors to the Board of the Company;
- (2) Appointment of the Senior Management Personnel of the Company; and
- (3) Remuneration of Directors, Key Management Personnel and other employees.

Selection Criteria for Directors

The Nomination and Remuneration Committee shall discuss and consider the following aspects while recommending appointment of a person to the Board as a Director:

1. The candidate shall have appropriate skills and experience in one or more fields of management, sales, marketing, medical, finance, HR, law, public administrative services, research, corporate governance, technical operations or any other disciplines related to the Company's business. The Committee shall keep Board diversity policy in mind while recommending a candidate for appointment as Director.
2. The number of companies in which the candidate holds directorship should not exceed the number prescribed under Companies Act, 2013 and under the Listing Regulations.
3. The candidate should not hold Directorship in any of the competitors companies, and should not have any conflict of interest with the Company.
4. The candidate proposed to be appointed as Independent Director, should not have any direct or indirect material pecuniary relationship with the Company and must satisfy the requirements imposed under Companies Act, 2013 and under the Listing Regulations.
5. The candidate should also have
 - (a) The ability to exercise sound business judgment
 - (b) A position of leadership or prominence in a specified field
 - (c) A willingness to devote the required time
 - (d) Integrity and moral reputation

The appointment shall be subject to:

- i. Approvals of the Board and / or Shareholders of the Company in accordance with the Companies Act, 2013; and
- ii. The Articles of Association of the Company.

The Company shall appoint or re-appoint any person as its Managing Director or Whole Time Director for a term not exceeding five years at a time.





An Independent Director shall be appointed for a term up to five years and will be eligible for re-appointment on passing of a special resolution by the members and disclosures in the Board's report on such re-appointment.

Selection Criteria for Senior Management

The qualification, skills and experience of each such position shall be defined in the job description, which will be maintained by the HR function.

The selection shall be based on the merit of each candidate as evaluated by the Company against the written job description.

The candidates will also be evaluated on LEAD competencies for employees:

Act for Change	Embrace change and innovation and initiate new and improved ways of working
Cooperate transversally	Collaborate effectively with peers, stakeholders and partners across the organization to positively impact business results
Strive for Results	Seek ongoing improvement of performance quality to create sustainable added value
Commit to Customers	Understand, meet and exceed internal and external customer expectations to create positive impact
Think Strategically	Think and plan broadly and long term to inspire excellence in execution
Develop People	Take responsibility for developing one's self and others in anticipation of future business needs
Make Decisions	Make timely decisions based on the information available
Lead Teams	Build, manage, motivate and empower teams and workgroups

The appointments of the Key Managerial Personnel shall be decided and approved by the Board on the recommendation of the Nomination and Remuneration Committee.

The appointments of the other Senior Management members shall be decided and approved by the Board on the recommendation of the Nomination and Remuneration Committee or the person(s) authorized by the Board.

Senior Management for the purpose of this policy shall mean the following employees: Managing Director, Whole Time Directors, CFO, Head Pharma Business, Head Consumer Health Business, Head Industrial Affairs, Head HR, Head Legal, Head Public Affairs, Head Medical, Head Communications, Head Security, Head Regulatory and Company Secretary.

Head HR shall discuss the organogram of the Company with the Nomination and Remuneration Committee highlighting the appointments / proposed appointments of employees in senior management category and how the above criteria have been fulfilled. He will also discuss succession policies and plans for senior management with the Committee at least once in a year.

Remuneration for Directors, Key Managerial Personnel and other Employees

The remuneration of Directors, Key Managerial Personnel and other employees shall be based on following key principles:

1. A balance will be created between fixed and incentive pay reflecting short and long term performance objectives and Company's goals.
2. Reasonable and sufficient remuneration to attract, retain and motivate the Directors and employees of the Company and encourage behavior that is aligned with sustainable value creation.
3. Comparable to peer companies in the healthcare industry and commensurate to the qualifications and experience of the concerned individual.
4. Based on ethical business conduct and decision making as per policies of the Company.

Remuneration to Independent Directors / Non-Executive Directors

Independent Directors ("ID") and Non-Independent Non-Executive Directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of Committees of which they may be members) and commission within regulatory limits.

Quantum of sitting fees may be subject to review on a periodic basis, as required. Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the Nomination and Remuneration Committee and approved by the Board.





In addition to the sitting fees and commission, the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred by the Director while performing his / her role as a Director of the Company. This could include reasonable expenditure incurred by the Director for attending Board / Board Committee meetings, general meetings, court convened meetings, meetings with shareholders / creditors / management, site visits, induction and training (organized by the Company for Directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a Director.

Remuneration to Executive Directors and senior management and other employees

The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Nomination and Remuneration Committee. The breakup of the pay into variable and fixed, quantum of perquisites including employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board / the Person authorized by the Board.

Head HR shall discuss the remuneration philosophy of the organization with the Nomination and Remuneration Committee at least once in a year.

Remuneration to Directors

The Board of Directors / Nomination and Remuneration Committee is authorized to decide the remuneration of the Managing Director and Whole Time Directors, subject to the approval of the members and Central Government, if required. The remuneration structure comprises of Salary, Perquisites, Retirement benefits as per law / rules, Performance Linked Incentive (PLI).

Annual increments are decided by the Board of Directors within the salary range approved by the members. The Executive Directors are entitled to PLI with target payouts fixed and payout ranges of 0% to 200% of the target amounts to be paid at the end of the financial year as may be determined by the Board of Directors and are based on certain pre-agreed performance parameters. PLI is computed on the basis of specific targets for the Managing Director and each of the Whole Time Directors.

The details of remuneration paid to the Managing Director and the Whole Time Directors during the financial year ended 31st December 2016, are given below:

Names of Director	Salary, Allowances and PLI (Rs. million)	Perquisites as per Income Tax Rules (Rs. million)	Retirement Benefits (Rs. million)
Dr. Shailesh Ayyangar	13.75	1.51	0.86
Mr. Lionel Guerin	6.34	6.21	0.26
Mr. Rajaram Narayanan	27.75	4.19	1.24
Mr. Ashwani Sood	10.94	0.52	0.46

The above excludes provision for leave encashment, gratuity, long service award and pension which are determined on the basis of actuarial valuation done on an overall basis for the Company.

The agreement with the Managing Director and the Whole Time Directors is for a specified period. Either party to the agreement is entitled to terminate the agreement by giving not less than three months' notice in writing to the other party. No severance pay is payable on termination of contract.

The Company does not have a scheme for grant of stock options. However, the Managing Director and the Whole Time Directors and some Senior Executives of the Company are granted stock options / performance shares of the ultimate holding company, Sanofi SA.

Non-Executive Directors who are employees of Sanofi group do not receive any remuneration from the Company.

Non-Executive Directors who are not employees of Sanofi group are paid sitting fees for attending Board and Committee Meetings. They are also paid 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.





The remuneration paid or payable to such Directors for the financial year ended 31st December 2016 is given below:

Names of Director	Sitting Fees paid (Rs. million)	Commission payable (Rs. million)
Dr. Vijay Mallya [Up to 29th April 2016]	0.12	0.47
Mr. Aditya Narayan [From 30th April 2016]	0.21	0.93
Mr. Subhash R. Gupte	0.84	0.70
Mr. A. K. R. Nedungadi	0.84	0.70
Mr. Rangaswamy R. Iyer	0.76	0.70
Ms. Usha Thorat [From 30th April 2016]	0.42	0.47

The commission to be paid to the Non-Executive Directors who were on the Board for part of the year has been calculated on pro-rata basis.

Performance Evaluation

The process approved by the Nomination and Remuneration Committee requires the Chairman to initiate the annual performance evaluation process. The performance evaluation is conducted based on approved criteria in the evaluation forms. Each Director completes the evaluation form and shares feedback with the Chairman. The Chairman discusses the feedback at the Board meeting.

Keeping in view the guidance note dated 5th January 2017 issued by SEBI on Board evaluation, the Nomination and Remuneration Committee is in the process of reviewing its process of the performance appraisal of the Board, Committees and individual Directors.

Stakeholders' Relationship Committee

The role of the Stakeholders' Relationship Committee includes resolving the grievances of security holders of the Company.

During the year ended 31st December 2016, two Stakeholders' Relationship Committee Meetings were held on 29th April 2016 and 22nd July 2016.

Constitution of the Stakeholders' Relationship Committee and attendance details during the financial year ended 31st December 2016, are given below:

Name of Director	Category	No. of Committee Meetings held during the tenure of the Director	No. of Committee Meetings attended
Mr. Subhash R. Gupte	Chairman of the Committee; Independent Director	2	2
Mr. A. K. R. Nedungadi	Member, Independent Director	2	2
Mr. Rangaswamy Iyer [Up to 1st June 2016]	Member, Independent Director	1	1
Mr. Lionel Guerin [From 2nd June 2016]	Member, Whole Time Director and CFO	1	1

As on 31st December 2016, Mr. Girish Tekchandani, Company Secretary was the Compliance Officer of the Company.

During the financial year, 34 complaints were received from shareholders. All these were attended / resolved. There were no complaints from shareholders pending as on 31st December 2016.





Corporate Social Responsibility (CSR) Committee

The CSR Committee provides guidance on various CSR activities to be undertaken by the Company and monitors its progress.

The terms of reference for the CSR Committee include:

1. Formulate a CSR policy which shall indicate activities to be undertaken by the Company.
2. Recommend the CSR policy to the Board.
3. Recommend the amount of expenditure to be incurred on the activities.
4. Monitor the Policy from time to time as per the CSR policy.

During the year ended 31st December 2016, two CSR Committee Meetings were held on 3rd February 2016 and 13th October 2016.

The constitution of the CSR Committee and attendance details during the financial year ended 31st December 2016 are given below:

Name of Director	Category	No. of Committee Meetings held during the tenure of the Director	No. of Committee Meetings attended
Mr. Rangaswamy R. Iyer	Chairman, Independent Director	2	2
Ms. Virginie Boucinha [Up to 1st June 2016]	Member, Non-Executive Director	1	–
Ms. Usha Thorat [From 2nd June 2016]	Member, Independent Director	1	1
Dr. Shailesh Ayyangar	Member, Managing Director	2	2

Annual Report on CSR activities is a part of the Directors' Report detailing the CSR projects undertaken by the Company.

Separate meetings of Independent Directors

As required under Listing Regulations, the Independent Directors held one separate meeting on 7th November 2016. All five Independent Directors attended this meeting. The Independent Directors discussed / reviewed the matters specified in Regulation 25(4) of the Listing Regulations.

Code of Conduct and Business Ethics

The Company has adopted a Code of Conduct and Business Ethics for Directors and Senior Management of the Company, as required under Regulation 17(5)(a) of the Listing Regulations. The Company has received confirmations from the Directors and Senior Management regarding compliance with the Code for the year ended 31st December 2016. A certificate from the Managing Director to this effect is attached to this Report.

The Code has been displayed on the Company's website www.sanofiindia.com.

Whistleblower Policy

As required under Listing Regulations, the Company has a Whistleblower Policy which has been displayed on its website, www.sanofiindia.com.

No personnel have been denied access to the Audit Committee.

Code of Conduct for Prevention of Insider Trading

As required by the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. The Company Secretary acts as the Compliance Officer. The Code of Conduct is applicable to all Directors and such identified employees of the Company as well as of Sanofi Group companies in Mumbai who are expected to have access to unpublished price sensitive information relating to the Company.





General Body Meetings

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
January - December 2013	29.4.2014	2.30 p.m.	Y. B. Chavan Centre - Auditorium, Mumbai
January - December 2014	29.4.2015	2.30 p.m.	Y. B. Chavan Centre - Auditorium, Mumbai
January - December 2015	29.4.2016	2.45 p.m.	Y. B. Chavan Centre - Auditorium, Mumbai

All the resolutions set out in the respective Notices were passed by the Shareholders.

During the previous three Annual General Meetings, following resolutions were passed as Special resolutions:

AGM Date	Special Resolutions
29th April 2014	<ol style="list-style-type: none"> 1. Appointment of Ms. Joanna Potts as Whole Time Director 2. Appointment of Mr. M. G. Rao as Whole Time Director 3. Payment of Commission to non-executive Directors
29th April 2015	<ol style="list-style-type: none"> 1. Approval of the Related Party Transactions with sanofi-aventis Singapore Pte. Ltd.
29th April 2016	<ol style="list-style-type: none"> 1. Appointment of Dr. Shailesh Ayyangar as Managing Director 2. Appointment of Mr. Rajaram Narayanan as Whole Time Director 3. Appointment of Mr. Lionel Guerin as Whole Time Director 4. Appointment of Mr. Ashwani Sood as Whole Time Director 5. Adoption of new Articles of Association

No special resolutions were passed through postal ballot during the financial year ended 31st December 2016.

At the forthcoming Annual General Meeting, there are no Special Resolutions for which the Listing Regulations or the Act has recommended / mandated postal ballot.

Disclosures

- a) There were no transactions of material nature with its promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.
The Audit Committee has granted omnibus approval for related party transactions in the ordinary course of business. The same are reviewed on a quarterly basis by the Audit Committee. Transactions with related parties have also been disclosed in the Annual Accounts.
Policy on transactions with related parties has been displayed on the Company's website www.sanofiindia.com.
- b) There were no instances of non-compliance nor have any penalties, strictures been imposed by Stock Exchanges or SEBI or any other statutory authority during the last three years on any matter related to the capital markets.
- c) In line with the requirements of the Regulation 17(9) of the Listing Regulations, the Audit Committee and the Board of Directors reviewed the Management's perception of the risks facing the Company and measures taken to minimise the same.
- d) As required by Regulation 17(8) of the Listing Regulations, the Managing Director and the Chief Financial Officer have submitted a Certificate to the Board of Directors in the prescribed format for the financial year ended 31st December 2016. The Certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors.
- e) The Company is in full compliance with the mandatory requirements as contained in the Listing Regulations. The Company has also adopted certain discretionary requirements of the Listing Regulations i.e. providing the Chairman of the Company with the resources required by him to discharge his responsibilities as Chairman of the Company and appointment of separate persons to the post of Chairman and Managing Director. The Financial Statements of the Company are unqualified.

Means of Communication

Quarterly, Half-Yearly and Annual results of the Company are published in newspapers such as Economic Times or Business Standard and Maharashtra Times or Sakal. These results are promptly submitted to the Stock Exchanges facilitating them to display the same on their website.





The Company's results and press releases are available on the Company's website www.sanofiindia.com.

During the year, no presentation was made to analysts / investors.

Management Discussion and Analysis Report forms a part of this Annual Report.

General Shareholder Information

AGM Date, Time and Venue:	Friday, 5th May 2017 at 3.00 p.m. at Y.B. Chavan Centre - Auditorium, Gen. J. Bhosale Marg, Nariman Point, Mumbai - 400 021
Financial Year	January to December
First Quarter Results	2nd Fortnight of April 2017
Half Yearly Results	2nd Fortnight of July 2017
Third Quarter Results	2nd Fortnight of October 2017
Fourth Quarter and Annual Results	February 2018
Dates of Book Closure:	27th April 2017 to 5th May 2017 (both days inclusive)
Dividend payment date:	On or after 11th May 2017, if declared at Annual General Meeting on 5th May 2017
Listing on Stock Exchanges:	The Company's Shares are listed on the Stock Exchanges mentioned below and the Company has paid the Listing Fees to them for 2016-2017. BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. The National Stock Exchange of India Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051
Stock Code:	500674 on BSE Limited
ISIN Number for NSDL & CDSL:	INE058A01010

Market Price Data

High / Low during year / month in the financial year

Share Price on BSE Limited (Face Value Rs. 10)

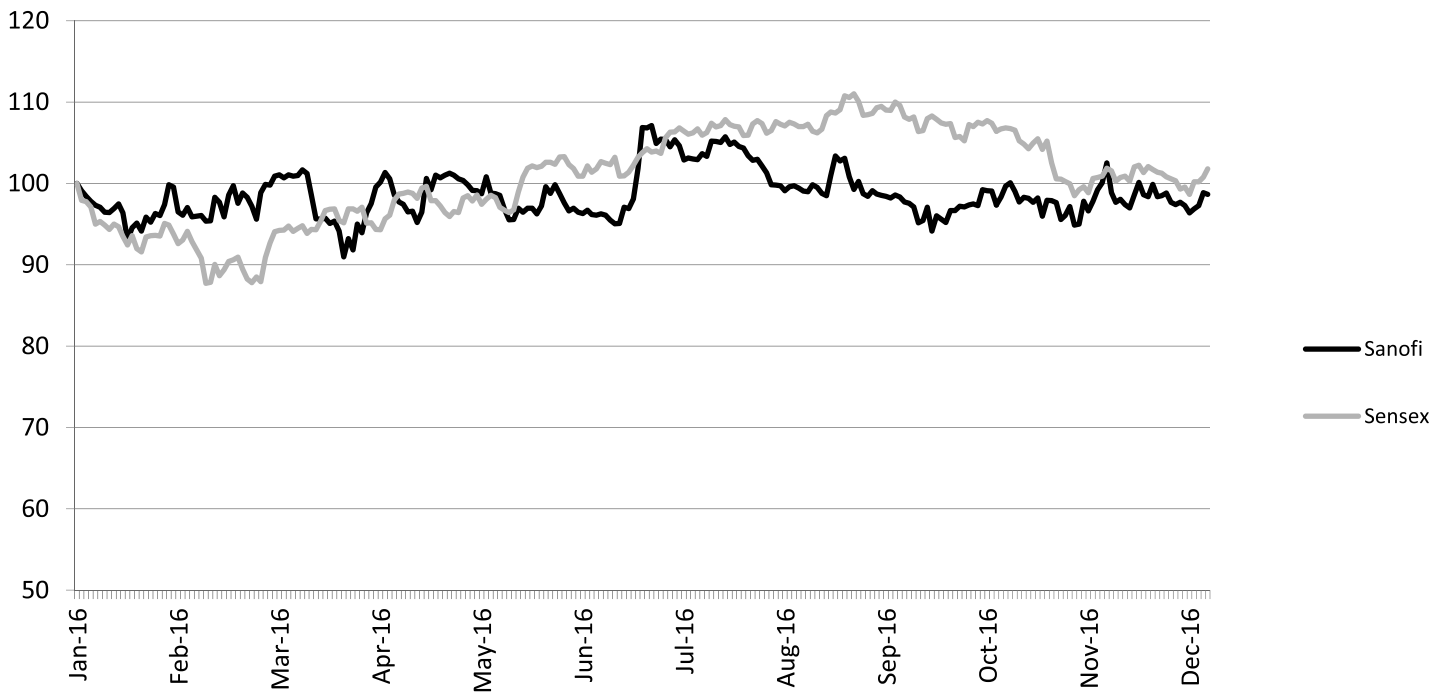
Months	Open Rs.	High Rs.	Low Rs.	Close Rs.
Jan-16	4,376.60	4,406.00	3,910.00	4,241.75
Feb-16	4,242.00	4,400.00	4,000.05	4,305.40
Mar-16	4,273.50	4,485.05	3,850.00	3,999.90
Apr-16	4,080.00	4,502.75	4,016.15	4,400.45
May-16	4,431.00	4,460.00	4,055.00	4,192.40
Jun-16	4,209.00	4,520.00	4,080.00	4,435.10
Jul-16	4,428.10	4,770.00	4,411.15	4,564.80
Aug-16	4,559.95	4,620.00	4,290.00	4,398.65
Sep-16	4,440.00	4,540.00	4,100.00	4,157.25
Oct-16	4,165.80	4,399.95	4,100.00	4,358.20
Nov-16	4,358.20	4,485.00	4,070.00	4,465.55
Dec-16	4,414.55	4,414.55	4,166.00	4,296.80

(Source: Website of BSE Limited, Mumbai www.bseindia.com)





Stock Performance in comparison to broad based indices such as BSE Sensex



Note: The monthly closing prices of the Sensex and Sanofi equity shares have been indexed to 100 as on 1st January 2016.

Registrars & Transfer Agents

Link Intime India Private Limited (formerly called Intime Spectrum Registry Limited), C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400 083

Contact person : Ms. Bhavika Somaiya

Telephone No.: (022) 4918 6270

Fax No.: (022) 4918 6060

Email: rnt.helpdesk@linkintime.co.in

Share Transfer System

The power of approving transfers up to 1,000 Shares purchased by any individual has been delegated to the Company Secretary. Transfers are approved every week.





Distribution of Shareholding as on 31st December 2016

Distribution of Shareholding (Shares)				
Shareholding	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1 to 100	17,582	91.61	766,240	3.33
101 to 200	811	4.23	137,859	0.60
201 to 300	235	1.22	62,054	0.27
301 to 400	96	0.50	35,338	0.15
401 to 500	94	0.49	44,823	0.19
501 to 1000	137	0.72	102,864	0.44
1001 to 2000	62	0.32	94,210	0.41
2001 to 3000	33	0.17	84,540	0.37
3001 to 4000	13	0.07	45,588	0.20
4001 to 5000	18	0.09	81,142	0.35
5001 to 10000	28	0.15	204,491	0.89
10001 & Above	83	0.43	21,371,473	92.80
Total	19,192	100.00	23,030,622	100.00

Shareholding Pattern as on 31st December 2016

Category	No. of shares held	% of shares held
Promoters	13,909,587	60.40
Mutual Funds	2,749,903	11.94
Financial Institutions/Banks	56,598	0.25
Insurance Companies	508,742	2.21
Foreign Institutional Investors	3,352,849	14.56
Bodies Corporate	988,197	4.29
Overseas Corporate Bodies	500	–
Trusts	492	–
Clearing Members	3,906	0.02
Hindu Undivided Family	33,840	0.14
Resident Individuals	1,203,388	5.22
Non-Resident Indians	222,620	0.97
Total	23,030,622	100.00





Dematerialization of shares and liquidity

As on 31st December 2016, 99.03% of the paid-up share capital had been dematerialized.

Outstanding GDRs / ADRs / warrants or any Convertible instruments, Conversion date and likely impact on equity

Not applicable.

Plant locations

3501-15, 6310, B-14, GIDC Estate, Ankleshwar, Gujarat

GIDC, Plot No. L-121, Phase III, Verna Industrial Estate, Verna, Goa

Address for correspondence

Shareholder correspondence should be addressed to the Company's Registrars, Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400083.

Investors may also write to or contact the Company Secretary, Mr. Girish Tekchandani at the Registered Office for any assistance that they may need. Telephone No. : (022) 28032000; Fax No. : (022) 28032831; Email : igr.sil@sanofi.com.

Shareholders holding shares in dematerialised form should address all their correspondence (including change of address, nominations, ECS mandates, bank details to be incorporated on dividend warrants, powers of attorney, etc.) to their Depository Participant.

COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

In accordance with Regulation 17(5)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and Senior Management Personnel of the Company have confirmed compliance with the Code of Business Conduct and Ethics for the financial year ended 31st December 2016.

For Sanofi India Limited

SHAILESH AYYANGAR
MANAGING DIRECTOR

13th February 2017





AUDITOR'S CERTIFICATE

To
The Members of Sanofi India Limited

We have examined the compliance of conditions of Corporate Governance by Sanofi India Limited (the 'Company'), for the year ended on December 31, 2016, as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Listing Agreement of the said Company with stock exchange.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per **Vijay Maniar**
Partner
Membership Number: 36738
Place : Goa
Date : February 27, 2017





INDEPENDENT AUDITOR'S REPORT

To the Members of Sanofi India Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Sanofi India Limited ("the Company"), which comprise the Balance Sheet as at December 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at December 31, 2016, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.





2. As required by section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on December 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 28, 34 and 41 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Vijay Maniar

Partner

Membership Number: 36738

Place : Goa

Date : February 27, 2017





Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) (a) The Company has granted loan to a company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.
- (b) The Company has granted loan to a company covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.
- (c) There is no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the pharmaceutical industry, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, , service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.





(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the Statue	Nature of the Dues	Amount (Rs in million)	Period to which the amount relates	Forum where dispute is pending
KVAT Act, 2003	Sales Tax	0.40	2008-09	Joint commissioner of Commercial Taxes - Appeals Bangalore
Sales Tax act	Sales Tax	1.70	1999-00	Sales Tax Tribunal Bangalore
	Sales Tax	1.80	2008-13	Additional Commissioner, Lucknow
	Sales Tax	0.09	2006-07	Additional Commissioner of Commercial Taxes, West Bengal
West Bengal Tax on entry of goods into local area, 2012	Local Entry Tax (including Interest)	83.10	October 2013 to December 2016	Calcutta High court
The Central Excise Act, 1944	Export Obligation	35.20	2012-14	Additional Director General of Foreign Trade
	Duty on Samples	0.50	1994 to 1999	Custom Excise and Service Tax Appellate Tribunal
	Disallowance of MODVAT	1.70	1993	Commissioner of Appeals, Surat
Medicinal & Toilet Preparations (Levy of Excise Duty) Act, 1955	Dispute whether central or State Excise duty	23.20	1990 to 1997	Central Board of Excise and Custom
	Dispute whether central or State Excise duty	13.20	1996 to 1999	Commissioner of State Excise Maharashtra
Service Tax	Service Tax on Sponsorship	0.10	2011-12	Commissioner of Customs, Central Excise and Service Tax
Income Tax Act, 1961	Income Tax	149.40	Assessment year 2010 - 11 and 2011 - 12	Income Tax Appeal Tribunal
	Income Tax	257.00	Assessment year 2012 - 13	Commissioner of Income Tax
	Income Tax	390.40	Assessment year 2013 - 14	Assessing officer of Income Tax

- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause 3 (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.





- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Vijay Maniar

Partner

Membership Number: 36738

Place : Goa

Date : February 27, 2017





Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Sanofi India Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Sanofi India Limited ("the Company") as of December 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,





projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Vijay Maniar

Partner

Membership Number : 36738

Place : Goa

Date : February 27, 2017





Balance Sheet

as at December 31, 2016

	Notes	December 31, 2016 Rupees in million	December 31, 2015 Rupees in million
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	230	230
Reserves and surplus	3	17,126	16,041
		17,356	16,271
Non-current liabilities			
Other long term liabilities	4	119	114
Long term provisions	5	281	288
Deferred Tax Liabilities (Net)	6	966	1,203
		1,366	1,605
Current liabilities			
Trade payables	7		
Total Outstanding dues of micro and small enterprises		42	15
Total Outstanding dues of creditors other than micro and small enterprises		2,382	2,241
Other current liabilities	7	1,110	1,061
Short-term provisions	8	3,144	2,853
		6,678	6,170
Total		25,400	24,046
ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets	9	5,611	5,575
Intangible assets	9	2,487	3,196
Capital Work in Progress		294	178
Intangible assets under development		42	43
Non current investments	10	2	2
Long term loans and advances	11	1,286	2,598
Other non-current assets	12	5	17
		9,727	11,609
Current assets			
Inventories	13	4,931	4,792
Trade receivables	14	1,448	1,441
Cash & bank balances	15	5,585	5,715
Short term loans & advances	16	3,627	431
Other current assets	17	82	58
		15,673	12,437
Total		25,400	24,046
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. : 324982E / E300003

per **Vijay Maniar**

Partner

Membership No. 36738

Place : Goa

Date : February 27, 2017

For and on behalf of the Board of Directors of Sanofi India Limited

Shailesh Ayyangar Managing Director

S. R. Gupte Director

Lionel Guerin Chief Financial Officer and Whole Time Director

Girish Tekchandani Company Secretary

Place : Goa

Date : February 27, 2017





Statement of Profit and Loss

for the year ended December 31, 2016

	Notes	December 31, 2016 Rupees in million	December 31, 2015 Rupees in million
INCOME			
Revenue from Operations (gross)	18	24,197	22,429
Less :Excise Duty		511	498
Revenue from Operations (net)		23,686	21,931
Other income	19	708	514
Total Revenue		24,394	22,445
EXPENSES			
Cost of raw material consumed	20	6,177	6,339
Purchases of traded goods	21	4,825	3,413
(Increase)/Decrease in the inventory of Finished Goods, Work-in-Progress and traded goods	22	(352)	364
Employee benefits expenses	23	3,592	3,333
Other expenses	24	4,163	3,891
Depreciation and Amortisation Expense	9	1,313	1,130
Finance Costs		15	4
Total Expenses		19,733	18,474
Profit before Tax and Exceptional Item		4,661	3,971
Tax Expense			
- Current tax		1,928	1,373
- Deferred tax		(237)	221
Total Tax Expenses		1,691	1,594
Profit after Tax and before Exceptional Item		2,970	2,377
Exceptional Item (net of tax Rs. Nil (2015: 444 million) refer note 44)		-	838
Profit after Tax and Exceptional Item		2,970	3,215
Earnings per equity share			
	32		
Basic and diluted Earnings per share in Rs. (Nominal Value of equity share Rs.10 each (2015: Rs.10))			
- Computed on the basis of earnings before exceptional items		129.13	103.18
- Computed on the basis of earnings after exceptional items		129.13	139.59
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. : 324982E / E300003

per **Vijay Maniar**

Partner

Membership No. 36738

Place : Goa

Date : February 27, 2017

For and on behalf of the Board of Directors of Sanofi India Limited

Shailesh Ayyangar Managing Director

S. R. Gupte Director

Lionel Guerin Chief Financial Officer and Whole Time Director

Girish Tekchandani Company Secretary

Place : Goa

Date : February 27, 2017





Cash Flow Statement

for the year ended December 31, 2016

	December 31, 2016 Rupees in million	December 31, 2015 Rupees in million
Cash flow From operating activities		
Net Profit before tax and Exceptional item	4,661	3,971
Adjustment for :		
Depreciation and amortization	1,313	1,130
Unrealised exchange gain /Loss (net)	(5)	6
(Profit)/ Loss on sale of fixed assets (net)	(2)	8
Finance costs	15	4
Interest income	(605)	(489)
Provision no longer required written back (net)	(61)	(8)
Provision for doubtful debt and Advances (net)	6	7
Operating profit before working capital changes	5,322	4,629
Movements in working capital		
(Increase)/ Decrease in Trade Receivables	18	(297)
(Increase)/ Decrease in Loans and Advances and other current/ non- current assets	(109)	(150)
(Increase)/ Decrease in inventories	(139)	(11)
Increase/ (Decrease) in trade payables, current / non-current liabilities and provisions	312	(663)
Cash generated from operations	5,404	3,508
Direct taxes paid	(2,178)	(1,376)
Net Cash flow from operating activities (A)	3,226	2,132
Cash flow from Investment activities		
Proceeds from sale of fixed assets (refer note 44)	6	1,295
Interest received	587	423
Repayment of Inter corporate loan	-	230
Inter corporate loan given	(1,450)	-
Investment in Margin money deposit (net)	(5)	(7)
Purchase of Fixed Assets	(693)	(1,582)
Net cash used in investing activities (B)	(1,555)	359
Cash flow from financing activities		
Interim and final dividend paid (including tax thereon)	(1,803)	(1,466)
Finance Cost	(15)	(4)
Net cash used in financing activities (C)	(1,818)	(1,470)
Net (decrease)/increase in cash & cash equivalents (A+B+C)	(147)	1,021





	December 31, 2016 Rupees in million	December 31, 2015 Rupees in million
Effect of Exchange differences on cash & cash equivalents held in foreign currency	*	*
Cash and Cash Equivalents at the beginning of the year	5,678	4,657
Cash and Cash Equivalents at the end of the year	5,531	5,678
Components of Cash and Cash Equivalents		
Cash and Bank Balances (as per Note 15) - (refer note 3 below)	5,531	5,678

* denotes figure less than a million

Notes:

1. Comparative figures have been regrouped wherever necessary.
2. The cash flow statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on cash flow statement as per accounting standard notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.
3. Cash and Bank Balance as per note 15 includes Rs 21 million (2015 : Rs 18 million) which are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. : 324982E / E300003

per **Vijay Maniar**
Partner
Membership No. 36738

Place : Goa
Date : February 27, 2017

For and on behalf of the Board of Directors of Sanofi India Limited

Shailesh Ayyangar Managing Director

S. R. Gupte Director

Lionel Guerin Chief Financial Officer and Whole Time Director

Girish Tekchandani Company Secretary

Place : Goa
Date : February 27, 2017





Notes forming part of the Financial Statements

for the year ended December 31, 2016

Basis of preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financials statements to comply in all material aspects with the accounting standard notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which revaluation was carried out.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

1. Significant accounting policies:

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from the estimates and the difference is recognized in the statement of profit and loss of the relevant period.

Tangible and intangible fixed assets

Fixed assets are stated at cost (or revalued amounts, as the case may be) less accumulated depreciation/amortization and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation/amortisation

Leasehold land is amortized on a straight line basis over the period of lease. Depreciation on fixed assets is calculated on straight line basis using the rates arrived at based on the useful lives estimated by the management. The company has used the following life to provide Depreciation/amortization on its fixed assets:-

Description of Assets	Useful life
<u>Intangible Assets</u>	Amortised over:
Brand	120 Months and 60 Months (refer note 42)
Software	36 Months
Marketing and technical rights for formulations	120 Months
Technical know how	60 Months
Goodwill	120 Months
<u>Tangible Assets</u>	
Buildings	30 Years
Plant and Machinery	10 Years
Furniture and Fixtures	10 Years
Office equipments	5 Years / 10 Years
Computer	4 Years
Laptops	3 Years
Motor vehicles	8 Years
Leasehold Improvements	Amortised over lease period





The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets.

The useful lives of plant and machinery are estimated as 10 years. These lives are lower than those indicated in schedule II of the Companies Act 2013. Further, the useful lives of office equipment and computers are estimated as 10 years and 4 years respectively. These lives are higher than those indicated in schedule II of the Companies Act 2013.

During the year company has revised useful life of brand from 10 years to 5 years, which has resultant into incremental amortisation expenditure for the year ended December 31, 2016 (refer note 42).

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of five years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Leases

Company is the Lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company is the Lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Investments

Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. These are valued at lower of cost or fair value (repurchase price or market value) on an individual item basis.





Investments other than current are classified as Non-Current Investments which are valued at cost less provision for diminution in value, other than temporary, if any.

Inventories

Inventories are valued as follows:

Raw Material and Packing Material

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined using standard cost method adjusted for variances, which approximates actual cost based on weighted cost formula.

Work-in-progress and finished goods

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined using standard cost method adjusted for variances, which approximates actual cost based on weighted cost formula.

Traded goods are valued at lower of cost and net realizable value. Cost Includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cash and Cash equivalents

Cash and cash equivalents for the purpose of Cash flow statement comprise of cash at bank and in hand and short term investments with an original maturity of three months or less.

Foreign currency transactions

Foreign currency transactions during the year are recorded at rates of exchange prevailing on the date of transactions. Foreign currency monetary items are translated into rupees at the rate of exchange prevailing on the date of the balance sheet. Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year or reported in the previous financial statements, are recognised as income or as expenses in the year in which they arise.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Forward exchange contracts not intended for trading or speculation purposes

The premium or discounts arising at the inception of forward exchange contract is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue from sale of goods is recognised when significant risk and rewards of ownership are transferred to customers, which is generally on dispatch of goods. Net sales are stated exclusive of excise duty, sales tax, VAT, Trade discount and are net of sales return. Excise duty deducted from revenue (Gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.





Service Income

Income from service rendered is recognised based on the terms of the agreements and when services are rendered. Service income is net of service tax.

Interest

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend

Dividend Income is recognised when the company's right to receive dividend is established by the reporting date.

Others

Other income is accounted for on accrual basis except where the receipt of income is uncertain.

Retirement & Other employee benefits

(i) Long-term Employee Benefits

(a) Defined Contribution Plans

The Company has defined contribution plans for post-employment benefits in the form of Superannuation Fund which is recognised by the Income-tax authorities and administered through trustees and/or Life Insurance Corporation of India (LIC). Further the Company also has a defined contribution plan in the form of a provident fund scheme for its staff and workmen at the Ankleshwar unit & Nepal and pension scheme under the Employee's Pension Scheme 1995 for its all employees, which are administered by the Provident Fund Commissioner.

All the above mentioned schemes are classified as defined contribution plans as the Company has no further obligation beyond making the contributions. The Company's contributions to Defined Contribution Plans are charged to the statement of profit and loss, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

(b) Defined Benefit Plans

The Company has for all employees other than Ankleshwar and Nepal Staff & Workmen, defined benefit plans for post-employment benefits in the form of Provident Fund which is administered through trustees (treated as a defined benefit plan on account of guaranteed interest benefit). Further Company has defined benefit plan for post-retirement benefit in the form of Gratuity which is administered through trustees and LIC for all its employees and pension for certain employees. Schemes of Provident Fund and Gratuity are recognised by the Income-tax authorities. Liability for Defined Benefit Plans is provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit method.

(c) Other Long-term Employee Benefit

The Company has for all employees other long-term benefits in the form of Long Service Award and Leave Encashment as per the policy of the Company. Liabilities for such benefits are provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability is the Projected Unit Credit method.

- (ii) Actuarial gains and losses (for defined benefit and other long term benefit) comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the statement of profit and loss as income or expense.
- (iii) Termination benefits are recognised as an expense as and when incurred.





Taxation

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets are reviewed at each balance sheet date.

Segment Reporting

Identification of segments

According to the nature of products and service provided, the operations of the Company represent a single primary business segment relating to pharmaceuticals. Secondary segment reporting is performed on the basis of location of the customers.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Segment accounting policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Provisions and Contingencies

The Company creates a provision when there exist a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.





Notes forming part of the Financial Statements

for the year ended December 31, 2016

	December 31, 2016 Rupees in million	December 31, 2015 Rupees in million
2. SHARE CAPITAL		
Authorised		
23,500,000 (2015 : 23,500,000) Equity Shares of Rs. 10 each	235	235
	235	235
Issued, Subscribed and Paid-up		
23,030,622 (2015 : 23,030,622) Equity Shares of Rs. 10 each fully Paid-up	230	230
	230	230

a) Shares held by holding and ultimate holding company

13,904,722 (2015 : 13,904,722) equity shares of Rs. 10 each fully paid are held by Hoechst GmbH, Germany, holding company and 4,865 (2015 : 4,865) equity shares of Rs. 10 each fully paid are held by Sanofi S.A., France ultimate holding company

b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	December 31, 2016		December 31, 2015	
	Numbers	Rupees in million	Numbers	Rupees in million
At the beginning of the year	23,030,622	230	23,030,622	230
Issued during the year	-	-	-	-
Outstanding at the end of the period	23,030,622	230	23,030,622	230

c) Terms/rights attached to equity shares

The Company has only one class of equity shares having a face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 December 2016, the amount of per share dividend (including interim dividend of Rs. 18 (December 2015 : Rs. 18)) recognized as distributions to equity shareholders was Rs. 68 (December 2015 : Rs. 65).

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholder.

d) Details of Shareholders holding more than 5% shares in the company

	December 31, 2016		December 31, 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Shares of Rs. 10 each fully paid				
Hoechst GmbH, Germany	13,904,722	60.37	13,904,722	60.37

As per the records of the company, including its register of shareholder/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.





Notes forming part of the Financial Statements

for the year ended December 31, 2016

	December 31, 2016 Rupees in million	December 31, 2015 Rupees in million
3. RESERVES AND SURPLUS		
Capital reserve	35	35
Securities premium account	20	20
Revaluation reserve		
Balance as per last balance sheet	3	35
Less: Transferred to General Reserve	–	32
Closing Balance	3	3
General reserve		
Balance as per last balance sheet	3,454	3100
Add: Transferred from surplus balance in the statement of profit and loss	–	322
Add: Transferred from revaluation reserve	–	32
Closing Balance	3,454	3,454
Surplus in the Statement of Profit and Loss		
Opening balance	12,529	11,438
Profit for the year	2,970	3,215
Less: Appropriations		
Interim dividend on equity shares (per share Rs. 18 (2015 : Rs. 18))	415	415
Proposed final dividend on equity shares (per share Rs. 50 (2015 : Rs. 47))	1,152	1,082
Tax on dividend	318	305
Transferred to general reserves	–	322
Net surplus in the statement of profit and loss	13,614	12,529
Total Reserves and Surplus	17,126	16,041
4. OTHER LONG TERM LIABILITIES		
Employee related liabilities	119	114
	119	114
5. LONG TERM PROVISIONS		
Provision for Employee Benefits (refer note 31)		
Provision for Long Service Awards	23	20
Provision for Pension	2	3
Other Provision		
Provision for Sales Returns (refer note 34)	256	265
	281	288





Notes forming part of the Financial Statements

for the year ended December 31, 2016

	December 31, 2016 Rupees in million	December 31, 2015 Rupees in million
6. DEFERRED TAX LIABILITIES		
Difference in depreciation and other differences in block of fixed assets as per tax books and financial books	1,387	1,562
Gross deferred tax liabilities	1,387	1,562
Employee retirement and other long term benefits	177	119
Effect of expenditure debited to statement of Profit & Loss in current year but allowed for tax purposes in following years	232	230
Provision for doubtful debts and advances	12	10
Gross deferred tax assets	421	359
Net Deferred Tax Liability	966	1,203
7. TRADE PAYABLES AND OTHER CURRENT LIABILITIES		
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises (refer note 36)	42	15
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,382	2,241
	2,424	2,256
Other current liabilities		
Liability for capital goods	130	84
Employee related Liabilities	624	689
Statutory and other Liabilities	270	221
Advances from customers and others	45	31
Unclaimed Dividend (refer note (a) below)	21	18
Others	20	18
	1,110	1,061
	3,534	3,317
(a) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund		
8. SHORT TERM PROVISIONS		
Provision for Employee Benefits (refer note 31)		
Provision Gratuity	236	128
Provision for Leave	300	240
Provision for Long Service Awards	3	3
Provision for Pension	1	2
Other Provisions		
Provision for Income Tax (Net of Advance Tax)	533	488
Proposed Dividend	1,152	1,082
Tax on proposed dividend	234	221
Provision for sales returns (refer note 34)	359	353
Other Provisions (refer note 34)	326	336
	3,144	2,853



9. FIXED ASSETS

1. Tangible assets

Rupees in million

Particulars	Freehold Land	Leasehold Land	Buildings & Waterworks(1)	Leasehold & Improvement	Plant & Machinery	Furniture & Fixtures	Office Equipment	Computers	Motor Vehicles	Total
Cost or valuation										
At January 01, 2015	35	66	1,226	41	3,317	132	65	280	8	5,170
Additions	-	382	1,976	-	633	280	57	144	8	3,480
Disposals	-	-	144	6	36	28	15	30	-	259
At December 31, 2015	35	448	3,058	35	3,914	384	107	394	16	8,391
Additions	-	-	85	4	444	9	5	67	6	620
Disposals	-	-	-	-	29	3	1	54	8	95
At December 31, 2016	35	448	3,143	39	4,329	390	111	407	14	8,916
Depreciation										
At January 01, 2015	-	10	489	33	1,651	81	44	194	7	2,509
Charge for the year	-	1	106	5	269	34	12	70	2	499
Disposals	-	-	85	6	33	24	14	30	-	192
At December 31, 2015	-	11	510	32	1,887	91	42	234	9	2,816
Charge for the year	-	1	115	3	312	37	11	99	2	580
Disposals	-	-	-	-	27	3	1	53	7	91
At December 31, 2016	-	12	625	35	2,172	125	52	280	4	3,305
Net Block										
At December 31, 2015	35	437	2,548	3	2,027	293	65	160	7	5,575
At December 31, 2016	35	436	2,518	4	2,157	265	59	127	10	5,611

Notes :

1) Buildings include investments representing ownership of Office premises and Residential flats in co-operatives societies.

Notes forming part of the Financial Statements

for the year ended December 31, 2016

9. FIXED ASSETS

2. Intangible assets

Rupees in million

Particulars	Goodwill (1)	Brand (1)	Software (2)	Marketing and technical rights for formulations	Technical know-how (3)	Total
Cost or valuation						
At January 01, 2015	1,253	4,071	88	200	538	6,150
Additions	-	-	5	-	-	5
Disposals	-	-	4	-	-	4
At December 31, 2015	1,253	4,071	89	200	538	6,151
Additions	-	-	24	-	-	24
Disposals	-	-	-	-	-	-
At December 31, 2016	1,253	4,071	113	200	538	6,175
Amortization						
At January 01, 2015	397	1,289	77	200	365	2,328
Charge for the year	125	407	5	-	94	631
Disposals	-	-	4	-	-	4
At December 31, 2015	522	1,696	78	200	459	2,955
Charge for the year	125	523	14	-	71	733
Disposals	-	-	-	-	-	-
At December 31, 2016	647	2,219	92	200	530	3,688
Net Block						
At December 31, 2015	731	2,375	11	-	79	3,196
At December 31, 2016	606	1,852	21	-	8	2,487

Notes :

- 1) Remaining amortisation period upto 58 months (2015: 70 months)
- 2) Remaining amortisation period upto 35 months (2015: 16 months)
- 3) Remaining amortisation period from 8 to 19 months (2015: from 4 to 31 months)



Notes forming part of the Financial Statements

for the year ended December 31, 2016

	December 31, 2016 Rupees in million	December 31, 2015 Rupees in million
10. NON CURRENT INVESTMENTS		
UNQUOTED EQUITY INSTRUMENTS		
Trade Investments (At Cost)		
(i) Bharuch Enviro Infrastructure Limited	*	*
2,188 (2015 : 2,188) Equity shares of Rs.10 /- each fully paid up.		
(ii) Narmada Clean Tech Limited	2	2
(Formerly known as Bharuch Eco-Aqua Infrastructure Limited)		
236,000 (2015 : 236,000) Equity shares of Rs.10/- each fully paid up.		
	2	2
* denotes figure less than a million		
11. LONG TERM LOANS AND ADVANCES		
Unsecured, Considered good unless stated otherwise		
Employee loans and advances	56	56
Loans and advances to related parties (refer note 30)		
Inter Corporate Loan [Unsecured but considered good, given against Corporate guarantee by Sanofi S.A France (ultimate holding Company)]	–	1,650
Tender Security Deposits		
Unsecured, considered good	9	11
Unsecured, considered doubtful	18	18
	27	29
Less : Provision for Doubtful Deposits	(18)	(18)
	9	11
Advance tax (Net of Provision)	1,060	710
Capital Advances	23	42
Deposits Others	138	129
	1,286	2,598
12. OTHER NON CURRENT ASSETS		
Margin Money Deposits (refer note 15)	5	17
	5	17





Notes forming part of the Financial Statements

for the year ended December 31, 2016

	December 31, 2016 Rupees in million	December 31, 2015 Rupees in million
13. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)		
Raw Materials and packing materials (Including in transit of RM and PM Rs. 101 million; 2015: Rs. 105 million)	1,712	1,925
Work-in-progress	554	444
Finished goods / Traded goods (Including in transit Rs. 265 million; 2015: Rs. 483 million)	2,665	2,423
	4,931	4,792
Details of Work-in-progress		
Formulations	554	444
Details of Finished goods/Traded goods (refer note 22)		
Formulations	2,665	2,423
14. TRADE RECEIVABLES		
Outstanding for period exceeding six months from the date they are due for payment		
Unsecured, considered good	39	32
Doubtful	15	9
	54	41
Other receivables		
Unsecured considered good	1,409	1,409
Doubtful	-	-
	1,409	1,409
	1,463	1,450
Less : Provision for doubtful debts	15	9
	1,448	1,441





Notes forming part of the Financial Statements

for the year ended December 31, 2016

	December 31, 2016 Rupees in million	December 31, 2015 Rupees in million
15. CASH AND BANK BALANCES		
Cash and Bank Equivalents		
Cash on hand	*	*
Balance with Bank		
Current accounts	305	193
Bank Deposit with original maturity of less than three months	5,205	5,467
Unpaid dividend accounts	21	18
	5,531	5,678
Other Bank Balances		
Margin money deposits	59	54
Less : Amount disclosed under non current assets (refer note 12)	(5)	(17)
	54	37
	5,585	5,715
Margin money deposit given as security		
Margin money deposit with carrying amount of Rs. 59 million (2015 : Rs. 54 million) are subject to first charge to secure bank guarantees issued by bank on our behalf.		
* denotes less than a million		
16. SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good unless stated otherwise)		
Advances recoverable in cash or in kind or for value to be received	237	115
Loans and advances to related parties (refer note 30)		
Advances recoverable in cash or in kind or for value to be received	33	21
Inter Corporate Loan [Unsecured, given against Corporate guarantee by Sanofi S.A, France (ultimate holding Company)]	3,100	-
Other Loans and Advances		
Employee loans and advances		
Unsecured, considered good	39	39
Unsecured, considered doubtful	2	2
	41	41
Less: Provision for doubtful advances	(2)	(2)
	39	39
Prepaid Expenses	60	47
Balances with statutory authorities	20	46
VAT / Service credit (input) receivable	87	82
Advance payment to suppliers	41	81
Deposite others	10	-
	3,627	431





Notes forming part of the Financial Statements

for the year ended December 31, 2016

	Notes	December 31, 2016 Rupees in million	December 31, 2015 Rupees in million
17. OTHER CURRENT ASSETS			
Finished goods - Sample and Other Inventories		57	51
Interest accrued on fixed deposits		25	7
		82	58
18. REVENUE FROM OPERATIONS (NET)			
Sale of Products	18(a)	22,573	20,991
Sale of Services	18(b)	1,315	1,228
Other operating income	18(c)	309	210
Revenue from operations (Gross)		24,197	22,429
Less : Excise Duty (refer note (i) below)	18(a)	511	498
Revenue from operations (Net)		23,686	21,931

(i) Excise duty on sales amounting to Rs. 511 millions (2015 : Rs. 498 millions) has been reduced from sales in statement of profit and loss and increase of excise duty on inventory, sample etc. amounting to Rs. 17 million (2015 : Rs. 34 million) has been considered as expense in Note 24 of financial statements.

18(a) Details of Products sold (Net of excise)

Formulations	22,030	20,467
Bulk Drugs	32	26
	22,062	20,493

18(b) Details of Services rendered

Business Auxiliary Services	1,315	1,228
	1,315	1,228

18(c) Other Operating Income

Sale of Scrap	9	10
Export Incentives	253	160
Indirect taxes set off/ refunds	43	39
Others	4	1
	309	210





Notes forming part of the Financial Statements

for the year ended December 31, 2016

	December 31, 2016 Rupees in million	December 31, 2015 Rupees in million
19. OTHER INCOME		
Interest income on		
Bank deposits	375	257
Inter corporate Loan	177	164
Others (Includes interest on income tax refunds, employee loans, etc)	53	68
Gain on disposal of fixed assets (net)	2	–
Rent	2	1
Exchange difference (net)	24	3
Provision no longer required written back (net)	61	8
Miscellaneous Income	14	13
	708	514
20. COST OF MATERIAL CONSUMED		
Inventory at the beginning of the year	1,925	1,550
Add: Purchases	5,964	6,714
Less: Inventory at the end of the year	1,712	1,925
Cost of Material Consumed	6,177	6,339
Details of Material Consumed		
Active Pharma Ingredients	5,140	5,311
Packing Materials	1,037	1,028
	6,177	6,339
Details of Inventory at the end of the year		
Active Pharma Ingredients	1,491	1,696
Packing Materials	221	229
	1,712	1,925
21. PURCHASE OF TRADED GOODS		
Purchase of Traded Goods	4,825	3,413
	4,825	3,413
Details of Purchase of Traded Goods		
Formulations	4,825	3,413
	4,825	3,413





Notes forming part of the Financial Statements

for the year ended December 31, 2016

22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND TRADED GOODS

	December 31, 2016 Rupees in million	December 31, 2015 Rupees in million	(Increase)/Decrease Rupees in million
<u>Inventory at the end of the year</u>			
Traded Goods	2,160	1,522	(638)
Work-in-progress	554	444	(110)
Finished Goods	505	901	396
	3,219	2,867	(352)
<u>Inventory at the beginning of the year</u>			
Traded Goods	1,522	2,362	840
Work-in-progress	444	390	(54)
Finished Goods	901	479	(422)
	2,867	3,231	364
Decrease / (Increase) in Inventory	(352)	364	

23. EMPLOYEE BENEFITS EXPENSES

	December 31, 2016 Rupees in million	December 31, 2015 Rupees in million
Salaries, wages and bonus	3,167	2,924
Contribution to provident fund / other funds (refer note 31)	151	131
Gratuity expenses	138	88
Staff welfare expenses	136	190
	3,592	3,333





Notes forming part of the Financial Statements

for the year ended December 31, 2016

	December 31, 2016 Rupees in million	December 31, 2015 Rupees in million
24. OTHER EXPENSES		
Advertisement and sales promotion	463	491
Travelling and conveyance	1,006	924
Selling and distribution expenses	1,085	1,036
Power and fuel	317	314
Toll Manufacturing Charges	381	389
Excise duty on inventory	17	34
Legal and professional fees	564	486
Training & meetings	207	205
Repairs - building	30	32
- plant and machinery	165	105
- others	150	131
Insurance	78	79
Rent	175	175
Auxiliary and other materials	143	126
Rates and taxes	78	155
Stores and spares	38	43
Provision for doubtful debts and advances (net)	6	7
Loss on disposal of fixed assets (net)	-	8
Auditors remuneration (Including Service Tax) (Refer Note (a) below)	10	8
Donations (other than political parties)	6	10
Others	425	373
	5,344	5,131
Less: Reimbursement of expenses*	1,181	1,240
	4,163	3,891

* Reimbursement of expenses includes expenses recovered from common shared utilities and services from third parties. Further it also includes reimbursement of marketing support from fellow subsidiaries.

Note (a) : Auditors Remuneration (including service tax)

Audit Fees	9	7
Tax audit fees	*	*
Certifications	*	*
Out of pocket exp	*	*
	10	8

* denotes less than one million





Notes forming part of the Financial Statements

for the year ended December 31, 2016

25. The tax year for the Company being the year ending March 31, the provision for taxation for the year is the aggregate of the provision made for the three months ended March 31, 2016 and the provision based on the profit for the remaining nine months up to December 31, 2016, the ultimate liability of which will be determined on the basis of the profit for the tax year April 1, 2016 to March 31, 2017.

26. Balance with customs and excise authorities includes excise and CENVAT deposit Rs.12 million (2015: Rs. 35 million) with toll manufacturers.

27. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 103 million (2015: Rs. 190 million).

28. Contingent Liabilities:

(Rupees in million)

Particulars	Dec 16	Dec 15
Income Tax demands in respect of which*		
➤ Tax authorities have appealed against Income tax orders which were ruled in favour of the Company	484	301
➤ Company's appeals are pending before appropriate authorities / the Company is in process of filing an appeal with appropriate authorities	1,120	719

* Contingent liabilities in respect of pending tax assessments in relation to similar matters are not determinable and hence not disclosed.

29. The operations of the Company represent a single primary business segment relating to pharmaceuticals. Secondary segment reporting is performed on the basis of location of the customers.

(Rupees in million)

Particulars	Dec 16			Dec 15		
	India	Outside India	Total	India	Outside India	Total
Revenues (Net)	17,285	6,401	23,686	16,152	5,779	21,931
Carrying amount of segment assets*	14,853	1,075	15,928	15,028	1,110	16,138
Capital expenditure for the year	758	–	758	1,606	–	1,606





*Segment Assets includes the following

Particulars	Dec-16 Rs. in million	Dec-15 Rs. in million
Fixed Assets		
I Tangible assets	5,611	5,575
II Intangible assets	2,487	3,196
III Capital Work in Progress		
Tangible assets	294	178
Intangible assets	42	43
Long term loans and advances	226	238
	8,660	9,230
Current assets		
Inventories	4,931	4,792
Trade receivables - Domestic	373	331
Trade receivables - Export	1,075	1,110
Cash & Bank Balances	305	193
Short term loans & advances	527	431
Other current assets	57	51
	7,268	6,908
TOTAL	15,928	16,138

30. Related parties:

i. Parties where control exists:

- Hoechst GmbH, Germany, holding Company (holds 60.37% of the equity share capital as at December 31, 2016)
- Sanofi S.A. France, ultimate holding Company

ii. Other related parties with whom transactions have taken place during the year:-

a) Fellow subsidiaries

Francopia S.A.R.L.	Sanofi-Aventis Deutschland GmbH
Sanofi-Aventis Groupe S.A.	sanofi-aventis Pakistan limited
Sanofi Lanka Limited	sanofi-aventis U.S.Inc.
Sanofi Chimie S.A	Sanofi Pasteur India Pvt. Limited
Sanofi-Aventis Spa	Sanofi-Synthelabo (India) Private Limited
Sanofi Winthrop Industrie S.A.	sanofi-aventis Bangladesh Limited
Sanofi-Aventis Recherche et Développement S.A.	Sanofi-Aventis Singapore Pte. Limited
Shantha Biotechnics Private Limited	Zentiva Pharma GmbH
Zentiva K.S.	Zentiva S.A
Zentiva A.S.	sanofi-aventis AUSTRALIA PTY LTD
Aventis Pharma Limited. UK	Sanofi-Aventis Taiwan Co. Limited
Sanofi-Aventis Hong Kong Limited	Chinoin Pharmaceutical and chechemical Private Co. Ltd.
Sanofi KK	Sanofi-Aventis SP Zoo





b) Key management personnel of the Company for the year

Name	Category of Directorship
Dr. Shailesh Ayyangar	Managing Director
Mr. Ashwani Sood	Executive Director from 21st October 2015
Mr. Rajaram Narayanan	Executive Director from 21st October 2015
Mr. Lionel Guerin	Chief Financial Officer from 24th July 2015 and Whole time Director from 21st October 2015
Ms. Virginie Boucinha	Executive Director till 23rd July 2015
Mr. K. Subramani	Company Secretary till 7th November 2016
Mr. Girish Tekchandani	Company Secretary from 8th November 2016

c) Transactions during the year:

(Rupees in million)

Particulars	Dec 16	Dec 15
Holding Company		
Dividend		
Sanofi S.A	*	*
Hoechst GmbH	904	737
Fellow subsidiaries		
Sale of Raw Material and Finished Goods		
Sanofi-Aventis Singapore Pte. Limited	5,291	4,997
Others	639	449
Total	5,930	5,446
Purchase of Raw Material and Finished Goods		
Sanofi-Aventis Singapore Pte. Limited	5,194	3,878
Francopia S.A.R.L.	715	1,016
Others	29	210
Total	5,938	5,104
Recovery of expenses		
Sanofi-Aventis Singapore Pte. Limited		
- Traded Products	1,177	1,227
Sanofi-Aventis Groupe S.A.		
- Other Expenses	11	19
Other Entities		
- Other Expenses	3	6
Income from Service rendered		
Sanofi-Synthelabo (India) Private Limited	1,031	969
Sanofi Pasteur India Private Limited	129	130
Others	155	129
Total	1,315	1,228
Rent Income		
Sanofi-Synthelabo (India) Private Limited	1	1
Refund of Inter Corporate Loan given		
Sanofi Pasteur India Private Limited	-	230





Inter Corporate Loan given Shantha Biotechnics Private Limited	1,450	–
Interest income (others) on loan/inter Company deposits given Shantha Biotechnics Private Limited	177	157
Sanofi Pasteur India Private Limited	–	7
Payment of Common shared expenses Zentiva S.A.	29	26
Sanofi-Synthelabo (India) Private Limited	8	8
Sanofi Winthrop Industrie S.A.	81	26
Sanofi Lanka Limited	23	10
Sanofi-Aventis Singapore Pte. Limited	11	4
Others	11	11
Total	163	85
Payment towards Intangibles under development Sanofi-Synthelabo (India) Private Limited	16	8
Key Management Personnel Remuneration Dr. Shailesh Ayyangar	16	15
Mr. Ashwani Sood	12	2
Ms. Virginie Boucinha	–	15
Mr. Lionel Guerin	13	5
Mr. Rajaram Narayanan	33	6
Mr. Krishnaswami Subramani	7	7
Mr. Girish Tekchandani	1	–
Total	82	50

* denotes less than one million

d) **Outstanding as at December 31, 2016**

(Rupees in million)

Particulars	Dec 16	Dec 15
Fellow Subsidiaries		
Trade Receivables Sanofi-Aventis Singapore Pte. Limited	937	839
Sanofi-Synthelabo (India) Private Limited	139	113
Others	122	262
Total	1,198	1,214
Trade Payables Sanofi-Aventis Singapore Pte. Limited	806	697
Sanofi-Aventis Spa	–	107
Francopia S.A.R.L.	293	138
Others	64	38
Total	1,163	980
Inter Corporate Loan balance Shantha Biotechnics Private Limited*	3,100	1,650
Total	3,100	1,650

***Inter Corporate loan given to Shantha Biotechnics Private Limited, a company in which Directors are interested**

Inter Corporate loan balance as at December 31, 2016 - Rs 3,100 million (2015 - Rs 1,650 million)

Maximum balance outstanding during the year - Rs 3,100 million (2015 - Rs 1,650 million)

Rate of Interest 9.5% p.a.

The Loan has been given against corporate guarantee by Sanofi S.A. (Ultimate Holding Company). The maturity date of the same is 15th April 2017.





31. Employee Benefits

A) Defined Contribution Plans

The Company has recognised the following amounts in the statement of profit and loss for the year:

(Rupees in million)

Particulars	Dec 16	Dec 15
i) Contribution to Employees' Provident Fund (Ankleshwar and Nepal)	4	3
ii) Contribution to Employees' Superannuation Fund	19	12
iii) Contribution to Employee's Pension Scheme, 1995	45	43

B) Post Employment Defined Benefit Plans

Valuations in respect of Gratuity, Pension Plan and Interest shortfall on Provident Fund have been carried out by an independent actuary, as at the Balance Sheet date, based on the following assumptions:

Particulars	Gratuity		Pension Plan		Provident Fund	
	Dec 16	Dec 15	Dec 16	Dec 15	Dec 16	Dec 15
(a) Discount Rate (per annum)	7.00%	8.01%	7.00%	8.01%	7.00%	8.01%
(b) Expected Rate of Return on Plan Assets	7.00%	8.01%	–	–	–	–
(c) Salary Escalation rate#	8% for 3 years and 6% thereafter	8% for 3 years and 6% thereafter	8% for 3 years and 6% thereafter	8% for 3 years and 6% thereafter	–	–
(d) Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
(e) Employees' turnover	1%	1%	1%	1%	1%	1%

#The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.





i) **Change in Benefit Obligation**

(Rupees in million)

Particulars	Gratuity		Pension Plan		Provident Fund	
	Dec 16	Dec 15	Dec-16	Dec 15	Dec-16	Dec 15
Liability at the beginning of the period	525	442	5	6	1,907	1,635
Interest Cost	43	36	*	1	158	141
Current Service Cost	38	29	*	*	78	70
Employees Contribution	-	-	-	-	151	139
Interest Guarantee	-	-	-	-	-	-
Benefits Paid	(53)	(34)	(2)	(2)	(183)	(112)
Transfer from previous employer's						
Liability Transfer In	-	-	-	-	18	34
Liability Transfer Out	-	-	-	-	-	-
Provision for diminution in fair value of Plan assets	-	-	-	-	-	-
Actuarial (gain)/loss on Obligations	89	52	(*)	*	-	-
Liability at the end of the year	642	525	3	5	2,129	1,907
Funded benefit obligation	406	397	-	-	2,129	1,907
Non Funded Benefit Obligation	236	128	3	5	-	-

*denotes less than one million.

ii) **Fair value of Plan Assets**

(Rupees in million)

Particulars	Gratuity		Pension Plan		Provident Fund	
	Dec 16	Dec 15	Dec-16	Dec 15	Dec 16	Dec 15
Fair Value of Plan Assets at the beginning of the year	397	365	-	-	1,907	1,635
Expected Return on Plan Assets	32	29	-	-	158	141
Interest Shortfall paid by the Company	-	-	-	-	-	-
Employer's Contributions	10	36	-	-	78	70
Employees Contribution	-	-	-	-	151	139
Benefits Paid	(33)	(33)	-	-	(183)	(112)
Transfer from Other Approved Funds	-	-	-	-	18	34
Provision for diminution in fair value of Plan assets	-	-	-	-	-	-
Actuarial gain/(loss) on Plan Assets	(*)	(*)	-	-	-	-
Fair Value of Plan Assets at the end of the year	406	397	-	-	2,129	1,907
Contributions expected to be paid to the Plan in 2017	88	83	-	-	-	-

*denotes less than one million.

iii) **Actual Return on Plan Assets**

(Rupees in million)

Particulars	Gratuity		Pension Plan		Provident Fund	
	Dec 16	Dec 15	Dec-16	Dec 15	Dec 16	Dec 15
Expected Return on Plan Assets	32	29	-	-	158	141
Actuarial gain/(loss) on Plan Assets	(*)	(*)	-	-	-	-
Actual Return on Plan Assets	32	29	-	-	158	141

*denotes less than one million.





iv) Amount Recognised in the Balance Sheet

(Rupees in million)

Particulars	Gratuity		Pension Plan		Provident Fund	
	Dec 16	Dec 15	Dec-16	Dec 15	Dec 16	Dec 15
Liability at the end of the year	642	525	3	5	2,129	1,907
Fair Value of Plan Assets at the end of the year	406	397	-	-	2,129	1,907
Difference	236	128	3	5	-	-
Amount Recognised in the Balance Sheet	236	128	3	5	-	-

v) Expenses Recognised in the Income Statement

(Rupees in million)

Particulars	Gratuity		Pension Plan		Provident Fund	
	Dec 16	Dec 15	Dec-16	Dec 15	Dec 16	Dec 15
Current Service Cost	38	29	*	*	78	70
Interest Cost	43	36	*	*	158	141
Expected Return on Plan Assets	(32)	(29)	-	-	(158)	(141)
Interest Guarantee	-	-	-	-	-	-
Net Actuarial (Gain)/Loss to be Recognised	89	52	(*)	*	-	-
Expense Recognised in Profit and Loss under personnel expenses	138	88	*	*	78	70

*denotes less than one million.

vi) Amount for the current period and previous periods are as follows:

(Rupees in million)

Particulars	Gratuity					Pension Plan					Provident Fund				
	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec
	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
Defined Benefit Obligation	642	525	442	375	323	3	5	6	9	15	2,129	1,907	1,635	1,476	1,277
Plan assets	406	397	365	366	294	-	-	-	-	-	2,129	1,907	1,635	1,476	1,257
(Surplus) / Deficit	236	128	77	9	29	3	5	6	9	15	-	-	-	-	20
Experience adjustment on benefit obligation															
Net Actuarial (Gain) / Loss due to Experience	79	46	30	23	13	(*)	*	(1)	-	(1)	-	-	-	(19)	(47)
Net Actuarial (Gain) / Loss due to Change in Assumption	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Experience adjustment on Plan Assets															
Net Actuarial Gain / (Loss) due to Experience	(*)	(*)	(2)	4	1	-	-	-	-	-	-	-	-	-	-
Net Actuarial (Gain) / Loss due to change in Assumption	-	-	-	-	-	-	-	(*)	-	-	-	-	-	-	-

*denotes less than one million





Vii) Basis used to determine expected rate of return on assets

Expected rate of return on investments is determined based on the assessment made by the Company at the beginning of the year on the return expected on its existing portfolio since these are generally held to maturity, along with the estimated incremental investments to be made during the year.

viii) General descriptions of significant defined Plans

Gratuity Plan

Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement in terms of provisions of the Payment of Gratuity Act or as per the Company's Scheme whichever is more beneficial. Benefit would be paid at the time of separation based on the last drawn base salary

Pension Plan

Under the Company's Pension scheme, certain executives are eligible for fixed pension for five years, depending on their level at the time of retirement on superannuation, death or early retirement with the consent of the Company.

Provident Fund

The Company manages the provident fund through a Provident Fund Trust for its employees (except Staff and Workmen at Ankleshwar and Nepal unit) which are permitted under The Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The Plan envisages contribution by employer and employees and guarantees interest at the rate notified by the Provident Fund Authority. The contribution by employer and employee, together with interest, are payable at the time of separation from service or retirement.

(ix) Broad category of Plan assets relating Gratuity and Provident Fund as a percentage of total Plan assets

Particulars	Gratuity		Provident Fund	
	Dec 16	Dec 15	Dec 16	Dec 15
Government of India securities	–	–	18%	20%
Bonds	–	–	46%	44%
Special Deposit Scheme, 1975	–	–	24%	31%
Other assets	–	–	12%	5%
Administered by Life Insurance Corporation of India	100%	100%	–	–
	100%	100%	100%	100%

32. Earnings per share:

Particulars	Dec 16	Dec 15
Numerator used for calculating basic and diluted earnings per share - profit after tax and before exceptional item (Rs. in million)	2,970	2,377
Numerator used for calculating basic and diluted earnings per share - profit after tax after exceptional item (Rs. in million)	2,970	3,215
Weighted average number of shares used as denominator for calculating basic and diluted earnings per share.	23,030,622	23,030,622
Nominal value per share (Rupees)	10	10
Basic and diluted earnings per share		
Computed on the basis of earnings before exceptional items divided by weighted average number of shares (Rupees)	129.13	103.18
Computed on the basis of earnings after exceptional items divided by weighted average number of shares (Rupees)	129.13	139.59





33. Operating leases:

Future lease commitments in respect of non-cancellable operating leases:

Where Company is the lessee:

(Rupees in million)

Particulars	Dec 16	Dec 15
Charged to Statement of profit and loss *	2	2
Not later than one year	1	2
Later than one year but not later than five years	2	3

*Cars are obtained on operating lease for a period of five years. There are no restrictions imposed by lease arrangements. There are no subleases.

In respect of cancellable operating leases, lease charges charged to Statement of profit and loss

(Rupees in million)

Particulars	Dec 16	Dec 15
Car Lease Charges**	30	24
Other Lease Charges**	144	149
Total	174	173

** Premises and Cars are obtained on operating lease. There is no provision for renewal. There is no escalation clause in the lease agreement. There are no restrictions imposed by leased arrangements. There are no subleases.

Where Company is the lessor:

In respect of non-cancellable operating leases

(Rupees in million)

Particulars	Dec 16	Dec 15
Credited to Statement of profit and loss	1	1
Not later than one year	-	-
Later than one year but not later than five years	-	-

Uncollectible minimum lease payments receivable at the balance sheet date Rs. Nil (2015: Rs. Nil)

34. Other provisions:

Movements in provisions:

(Rupees in million)

Particulars	Class of provisions			Total
	Indirect tax	Provision for Sales Returns	Others	
Balance as at January 1, 2016	86 (86)	618 (537)	250 (205)	954 (828)
Amount provided during the year	- (-)	440 (541)	- (45)	440 (586)
Amount written back/paid during the year	- (-)	443 (460)	10 (-)	453 (460)
Balance as at December 31, 2016	86 (86)	615 (618)	240 (250)	941 (954)

Note: Figures in brackets are for the previous year.





- i) Provision for indirect taxes represents differential excise duty, sales tax, custom duty and service tax in respect of which the claims are pending before various authorities for a considerable period of time and based on management's estimate of claims provision is made on prudent basis that possible outflow of resources may arise in future.
- ii) Provision for sales returns are on account of expected date expiry and breakages returns based on historical trends.
- iii) Other provisions on prudent basis are towards possible outflow of resources in respect of legal cases pending against the Company or in respect of contractual obligations of the Company.

35. Derivative Instruments and Un-hedged Foreign Currency Exposure:

Particulars of Derivatives Instruments as at Balance sheet date

Particulars of Derivatives	Foreign currency	Dec-16		Dec-15	
		Foreign currency Value	Rupees in million	Foreign currency Value	Rupees in million
Forward Exchange contracts for the foreign exchange exposures of receivables on account of export of goods & services.	EUR	5,000,000	357	4,000,000	288

Particulars of un-hedged Foreign Currency exposure as at Balance sheet date

Particulars of Derivatives	Foreign currency	Dec-16		Dec-15	
		Foreign currency Value	Rupees in million	Foreign currency Value	Rupees in million
Trade Payables	EUR	10,191,763	728	7,675,209	553
	USD	615,993	42	405,938	27
	CHF	–	–	5,520	*
	HKD	44,774	*	44,774	*
	AUD	–	–	7,190	*
Trade Receivables	EUR	8,851,230	632	10,278,687	740
	USD	1,262,545	86	1,237,839	82
	NPR	18,900	*	–	–
Cash and Bank Balances	EUR	642,349	46	399,739	29
	USD	7,650	1	9,164	1

* denotes less than one million

36. Micro and Small Enterprises

The Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Details of dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprise Development Act, 2006	(Rupees in million)	
	Dec 16	Dec 15
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
Principal Amount	42	15
Interest thereon remaining unpaid	*	*
Amount of interest paid in terms of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	–	–





Details of dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprise Development Act, 2006	(Rupees in million)	
	Dec 16	Dec 15
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	1	*
Amount of interest accrued and remaining unpaid at the end of each accounting year; and	1	1
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	2	1

* denotes figure less than a million

37. Value of imports on CIF basis:

(Rupees in million)

Particulars	Dec 16	Dec 15
Raw material and Packing materials	2,610	2,840
Components, spares and auxiliary	11	4
Capital goods	251	160
Finished goods	3,755	2,716

38. Expenditure and earnings in foreign currency (on accrual basis)

a. Expenditure in foreign currency

(Rupees in million)

Particulars	Dec 16	Dec 15
Commission	7	4
Traveling and conveyance	32	32
Salary and Wages	18	7
Legal and professional fees	2	2
Others	160	86

b. Earnings in foreign exchange :

(Rupees in million)

Particulars	Dec 16	Dec 15
FOB value of exports	5,801	5,312
Income from services rendered	155	129
Reimbursement of expenses & Market Support	1,189	1,240
	7,145	6,681





39. Dividend remittances in foreign currency:

(Rupees in million)

Particulars	Dec 16	Dec 15
Dividend remitted in foreign currency		
Final for year 2014	–	487
Interim for the year 2015	–	250
Final for year 2015	654	–
Interim for the year 2016	250	–
Number of non-resident shareholders	2	2
Number of shares held	13,909,587	13,909,587

All remittances are made in EURO.

40. Consumption of raw materials, packing materials, spare parts and components

(Rupees in million)

Particulars	Dec-16	%	Dec 15	%
Raw Materials and packing materials:				
Indigenous	3,335	54	3,372	53
Imported	2,842	46	2,967	47
Sub total	6,177	100	6,339	100
Spare parts and components:				
Indigenous	36	96	43	100
Imported	2	4	–	–
Sub total	38	100	43	100
Total	6,215		6,382	

41. Consequent upon the decision of the Supreme Court in the matter of prices of certain bulk drugs fixed by the Government of India under the Drug (Prices Control) Order, 1979, the Company paid an amount of Rs. 31 million in 1988 being the liability determined by the Special Team appointed by the Government. However, during 1990, fresh demands aggregating to Rs. 781 million alleged to be payable into the Drug Prices Equalisation Account (DPEA) were made by the Government on account of alleged unintended benefit enjoyed by the Company. The Government has also made certain claims for applicable interest. On a Writ Petition filed by the Company in 1991, the Bombay High Court passed an order whereby the demands were to be treated as show cause notices. The High Court directed the Company and the Government to furnish relevant data to each other based on which the Government was to rework the figures. The Government did not furnish the requisite data to the Company. In 1995, a further demand of Rs. 80 million was made by the Government.

In the meantime, a Committee was constituted by the Government to determine the liabilities of the Drug Companies. The Company filed written submissions with the Committee and contended during the personal hearing that in the absence of the Government furnishing the requisite data as directed by the Bombay High Court, the Company was not in a position to make an effectual presentation before the Committee.

In January 1999, the Company filed an Application before the Bombay High Court seeking directions to the Government to furnish the requisite data. The Application is pending. In the meantime, the Committee has deferred further hearing of the Company's case, until the Application is heard and decided by the Bombay High Court. In any event, the Company is contesting the above demand.





42. The Management has done a review of the useful life of asset held. Consequently, the useful life of a nutraceutical brand acquired in 2011 has been revised from 10 years to 5 years. As a result, amortisation expenditure for the year ended December 31, 2016 has increased by 116 million.
43. Disclosure on Corporate Social Responsibility as provisions of section 135 of the Companies Act, 2013
- a. Gross amount required to be spent by the company during the year was Rs. 71 million
- b. Details of amount spent during the year (included in note 24: Other Expenses) (Rs. in million)

Sr. No.	Particulars	Paid	Yet to be Paid	Total
(i)	Construction/acquisition of any asset	–	–	–
(ii)	On purpose other than (i) above			
	1. Towards reducing health inequalities around our manufacturing sites	1	–	1
	2. Towards Public Private Partnership with the Government of Maharashtra to impact outcomes of patients having non-communicable diseases.	5	–	5
	3. Towards Diabetes with Dignity	3	–	3
	4. Towards Counselling patients to manage their Diabetes and create awareness on early detection	38	4	42
	5. Towards Action Against Diabetes	4	*	4
	6. Towards enhancing skills of students of Cardiology/Cardio-thoracic surgery	4	1	5
	7. Towards Employee volunteering - Joy in Outreach	2	–	2
	8. Towards Grants	5	4	9
	9. Towards fun centres to help children cope with the rigors of treatment	2	–	2
	Total	64	9	73

* denotes less than one million

44. During January 2015, Company has sold one floor of Hoechst House building for a consideration of Rs. 258 million and accounted net gain of Rs. 159 million (net of tax of Rs. 85 million). Further during November 2015, Company has sold Aventis House for a consideration of Rs. 1,110 million and accounted net gain of Rs. 679 million (net of tax of Rs 359 million). The net gain arising from the sale of these assets has been indicated in exceptional item in statement of profit and loss for the year.
45. Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

Signatures to Notes 1 to 45

As per our report of even date

For and on behalf of the Board of Directors of Sanofi India Limited

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. : 324982E / E300003

Shailesh Ayyangar Managing Director

S. R. Gupte Director

per **Vijay Maniar**
Partner
Membership No. 36738

Lionel Guerin Chief Financial Officer and Whole Time Director

Girish Tekchandani Company Secretary

Place : Goa
Date : February 27, 2017

Place : Goa
Date : February 27, 2017





NOTES

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SANOFI INDIA LIMITED

Registered Office : Sanofi House, CTS No. 117-B, L&T Business Park, Saki Vihar Road, Powai, Mumbai - 400 072

Tel. : +91 (22) 2803 2000 Fax : +91 (22) 2803 2831

Corporate Identity Number : L24239MH1956PLC009794

Website: www.sanofiindia.com Email: igrc.sil@sanofi.com

ATTENDANCE SLIP

61ST ANNUAL GENERAL MEETING ON FRIDAY, 5TH MAY 2017 AT 3.00 P.M.

Folio No. / Client ID
Member's / Joint Holder's Name
No of Equity Shares held

I/ We hereby record my presence at the 61st Annual General Meeting of the Company at Y. B.Chavan Centre - Auditorium, Gen J. Bhosale Marg, near Sachivalaya Gymkhana, Nariman Point, Mumbai - 400021.

Member's / Proxy's Signature

Notes:

1. Shareholder / Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.
2. Shareholder / Proxy holder desiring to attend the meeting should bring his / her copy of the Annual Report for reference at the meeting.

SANOFI INDIA LIMITED

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PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

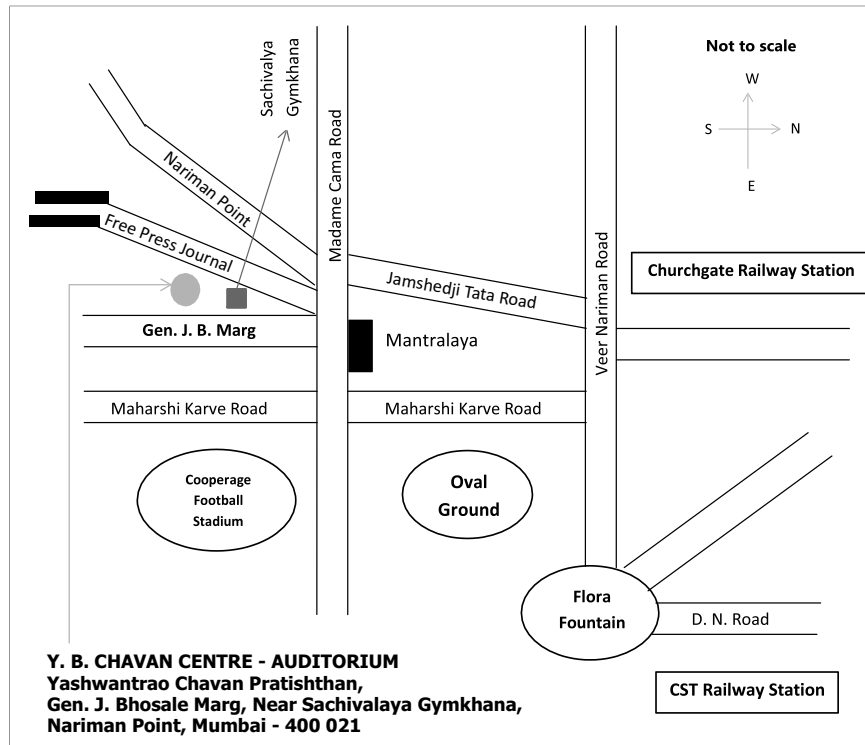
Name of the Member(s):	
Registered address:	
E-mail Id:	
Folio No. / DP ID & Client Id :	

I/We being the member of Sanofi India Limited holdingshares, hereby appoint:

1. Name:..... Address.....
Email Id:.....Signature.....failing him / her
2. Name:..... Address.....
Email Id:.....Signature.....failing him / her
3. Name:..... Address.....
Email Id:.....Signature.....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 61st Annual General Meeting of members of the Company, to be held on Friday, 5th May 2017 at 3.00 p.m. at Y. B. Chavan Centre - Auditorium, Gen J. Bhosale Marg, Near Sachivalaya Gymkhana, Nariman Point, Mumbai - 400021 and at any adjournment thereof in respect of such resolutions as are indicated below:

P.T.O.



Resolution No.	Resolution
Ordinary Business	
1.	Adoption of financial statement for the year ended December 31, 2016
2.	(a) Approval and confirmation of interim dividend for the year ended December 31, 2016 (b) Declaration of final dividend for the year ended December 31, 2016
3.	Re-appointment of Mr. Lionel Guerin, who retires by rotation
4.	Resolve not to fill the vacancy in the Board, caused by the retirement of Mr. Francois Briens
5.	Appointment of M/s. Price Waterhouse & Co. Chartered Accountants LLP as Statutory Auditors of the Company
Special Business	
6.	Appointment of Mr. Cyril Grandchamp-Desraux as Director of the Company
7.	Appointment of Mr. Thomas Rouckout as Director of the Company
8.	Approval of material related party transaction with sanofi-aventis Singapore Pte. Ltd.
9.	Approval of remuneration payable to M/s. D. C. Dave & Co., Cost Accountants., Cost Auditors of the Company

Signature of Shareholder: Signed thisday of2017

Signature of Proxy holder(s):.....

Note: this form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company in not less than FORTY EIGHT HOURS before commencement of the Meeting.

Affix
Revenue
Stamp of
Re. 1/-



SANOFI 

Sanofi India Limited: Sanofi House, CTS No.117-B, L&T Business Park, Saki Vihar Road, Powai, Mumbai 400 072.