

SANOFI INDIA LIMITED

Registered Office: 54/A, Sir Mathuradas VasANJI Road, Andheri East, Mumbai 400 093

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-eighth Annual General Meeting of the Members of Sanofi India Limited will be held on Tuesday, 29th April 2014 at 2.30 p.m. at Y. B. Chavan Centre - Auditorium, Gen. J. Bhosale Marg, near Sachivalaya Gymkhana, Nariman Point, Mumbai 400 021 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st December 2013 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution :
 "RESOLVED THAT an Interim Dividend for the year ended 31st December 2013 of Rs. 10 per Equity Share of Rs. 10 paid to the Members whose names appeared on the Register of Members on 6th August 2013, be and the same is hereby approved and confirmed.
 RESOLVED FURTHER THAT a Final Dividend for the year ended 31st December 2013 of Rs. 35 per Equity Share of Rs. 10 be paid to:
 - i) those Members whose names appear on the Register of Members of the Company on 29th April 2014; and
 - ii) those whose names appear as beneficial owners as at the close of business on 17th April 2014, as per details to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited."
3. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution :
 "RESOLVED that Mr. S. R. Gupte who retires by rotation and who is eligible for re-election be and is hereby re-appointed a Director."
4. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution :
 "RESOLVED that Mr. J. M. Georges who retires by rotation and who is eligible for re-election be and is hereby re-appointed a Director."
5. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution :
 "RESOLVED THAT M/s. S R B C & Co. LLP, Chartered Accountants, (ICAI Firm Registration No. 324982E) be and are hereby appointed Auditors of the Company to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting as the retiring Auditors, M/s. S. R. Batliboi & Co. LLP have given the Company notice, in writing, expressing their unwillingness to be re-appointed as Auditors on their retirement at the ensuing Annual General Meeting.
 RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to fix the remuneration payable and the reimbursement of out-of-pocket expenses, if any, to the said Auditors."

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution :
 "RESOLVED THAT the Company hereby accords its approval and consent under Sections 198, 269, 309 and 314 of the Companies Act, 1956 and all other applicable provisions, if any, and provisions of the Companies Act, 2013 as and when notified and made applicable, to the appointment of Ms. Joanna Potts (Alternate to Mr. A. Ortoli) as Wholetime Director of the Company for the period from 1st May 2013 to 9th February 2014 and to her receiving remuneration, benefits and amenities as Wholetime Director of the Company upon the terms and conditions and stipulations contained in an Agreement to be entered into between the Company and Ms. Joanna Potts, a draft whereof is placed before the Meeting and which, for the purposes of identification, is initialled by the Chairman of the Meeting. Provided that the aforesaid approval and consent shall not be impaired by reason of Mr. A. Ortoli returning to the State of Maharashtra and Ms. Joanna Potts being appointed as Alternate Director to Mr. Ortoli.
 RESOLVED FURTHER THAT the remuneration including benefits, amenities and perquisites as set out in the said draft Agreement shall nevertheless be paid and allowed to Ms. Joanna Potts as the minimum remuneration for any financial year in case of absence or inadequacy of profits for such year, subject to the approval of the Central Government, if required but shall not in any such year exceed the ceiling laid down in this behalf in Schedule XIII to the Companies Act, 1956, from time to time.
 RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and do all such acts, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."
7. To consider and, if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution :
 "RESOLVED THAT the Company hereby accords its approval and consent under Sections 198, 269, 309 and 314 of the Companies Act, 1956 and all other applicable provisions, if any, and provisions of the Companies Act, 2013 as and when notified and made applicable, to the re-appointment of Mr. M. G. Rao (presently Alternate to Mr. J. M. Georges) as Wholetime Director of the Company for the period from 6th September 2013 to 5th September 2014 and to his receiving remuneration, benefits and amenities as Wholetime Director of the

Company upon the terms and conditions and stipulations contained in an Agreement to be entered into between the Company and Mr. Rao, a draft whereof is placed before the Meeting and which, for the purposes of identification, is initialled by the Chairman of the Meeting. Provided that the aforesaid approval and consent shall not be impaired by reason of Mr. J. M. Georges returning to the State of Maharashtra and Mr. Rao being appointed as Alternate Director to Mr. Georges or Mr. Rao being appointed as Alternate Director to any other Director or Mr. Rao filling in any casual vacancy or being appointed as Additional Director or as a Director in his own right by the Company in General Meeting.

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

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

8. To consider and, if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 198, 309(4) and other applicable provisions, if any, of the Companies Act, 1956, and provisions of the Companies Act, 2013 as and when notified and made applicable, the Company's Directors other than the Managing Director or Wholetime Directors or Directors who are employees of Sanofi or companies of the Sanofi Group, in addition to sitting fees paid to them for attending the Meetings of the Board of Directors or its Committees, be paid every year for a period of five years from 1st January 2014, commission of an amount as may be determined by the Board of Directors from time to time, subject to a ceiling of one per cent of the net profits of the Company computed in the manner laid down in Section 198(1) of the Companies Act, 1956, with authority to the Board of Directors to distribute the commission amongst such Directors in such manner as the Board of Directors may from time to time decide."

By Order of the Board

K. SUBRAMANI
COMPANY SECRETARY

Registered Office:
54/A, Sir Mathuradas VasANJI Road
Andheri East
Mumbai 400 093

Mumbai, 3rd March 2014

NOTES:

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a Member of the Company. The Proxy form, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the Annual General Meeting.
2. The Register of Members of the Company shall remain closed from Friday, 18th April 2014 to Tuesday, 29th April 2014 (both days inclusive).
3. The relevant Explanatory Statement in respect of Item Nos. 6 to 8 of the Notice is annexed to and forms part of the Notice.
4. (i) The Company has transferred all unclaimed dividends upto 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, Maharashtra.
(ii) Pursuant to Section 205A and 205C of the Companies Act, 1956, unclaimed dividends upto the First Interim Dividend for the year ended 31st December 2006 have been transferred to the Investor Education and Protection Fund.

In terms of Section 205A and 205C, any dividend remaining unclaimed for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund. Once unclaimed dividends are so transferred, Members will not be entitled to claim these dividends.

Members who have not encashed their dividend warrants towards the Second Interim Dividend for the year ended 31st December 2006 or thereafter are requested to write to the Company's Registrars and Transfer Agents.

5. Members seeking any information or 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.

PROFILE OF DIRECTORS BEING APPOINTED

As required by Clause 49 of the Listing Agreement, the particulars of Directors who are proposed to be appointed are given below:

1. Name : Mr. S. R. Gupte
 Age : 74 years
 Qualifications : B.Com, CA
 Experience : Mr. Gupte worked with Caltex India Limited from 1964 for 5 ½ years in various capacities.

He joined Air India in 1969 and worked in various positions in India and abroad. He was promoted as Director of Finance in May 1988 and also took charge as Director-Human Resources Development in August 1988. He was also entrusted with the functions of Deputy Managing Director at the same time. He took over in the acting capacity as Chairman and Managing Director of Air India from 17th July 1990 and was also Chairman of Hotel Corporation of India till November 1991. He retired from Air India in March 1992 as Deputy Managing Director.

During his tenure with Air India, he was on the Boards of Air Mauritius and Indian Airlines and was Deputy Chairman and Vice President of Airline Mutual Insurance based in Bermuda. He was a Member of International Air Transport Association (IATA) Executive and Financial Committees and Fuel Trade Group. He was also a Director on the Board of Pacific Asia Travel Association.

Mr. Gupte joined the United Breweries Group in March 1992 as Executive Vice Chairman. He is presently an Adviser to the said Group and continues to be its Executive Vice Chairman.

He has been on the Board of the Company from 9th March 1993. He has been Chairman of the Audit Committee & Investors' Grievance Committee from March 2001.

Other Directorships (as on 25th February 2014)

<u>Name of the company</u>	<u>Position held</u>
Kingfisher Airlines Limited	Director
Mangalore Chemicals & Fertilizers Limited	Director
UB Electronic Instruments Limited	Director
VJM Media Private Limited	Chairman
United Helicharters Pvt. Ltd.	Chairman

Membership of Committees

<u>Name of the company</u>	<u>Member of Committee</u>
Mangalore Chemicals & Fertilizers Limited	Audit Committee

Mr. Gupte does not hold any shares in the Company.

2. Name : Mr. J. M. Georges
 Age : 60 years
 Qualifications : Degree in Pharmacy
 Experience : Mr. Georges joined the Sanofi Group in 1983 as Manager in the Granulation Department of Labaz in France. Since then he has held various positions in Group affiliates in France and Morocco.

Presently he is Vice President Global Industrial Resources of the Sanofi Group.

Mr. Georges is not a Director of any other Company in India. He is a Director of two companies incorporated outside India.

He has been on the Board of the Company from 29th July 2010.

Other Directorships (as on 25th February 2014)

<u>Name of the company</u>	<u>Position held</u>
sanofi-aventis Pakistan limited	Director
Sanofi Bangladesh Limited	Director

Mr. Georges is not a Member of any Committee.

Mr. Georges does not hold any shares in the Company.

3. Name : Ms. Joanna Potts
Age : 50 years
Qualifications : B.Sc. (Hons), Diploma of Industrial Studies (Medicinal and Pharmaceutical Chemistry), Specialization in Finance from Harvard Business School
Experience : Ms. Joanna Potts started her career in 1985 as an Editor (Scientific Publications). She subsequently held variety of roles in commercial operations of increasing responsibilities in Sales, Marketing and Business Operations of different organisations including Sanofi U.K.
She was appointed Commercial Operations Officer of the Company from 1st January 2013.
She was appointed as Alternate to Mr. A. Ortoli from 1st May 2013. She ceased to be Alternate from 10th February 2014.
Ms. Potts was not a Director in any other company.
She did not hold any shares in the Company.
4. Name : Mr. M. G. Rao
Age : 63 years
Qualifications : M.Sc. in Organic Chemistry
Diploma in Management Studies
Experience : Mr. Rao joined the Company in 1973 in the Research Centre. He has held senior positions in Manufacturing Operations.
He is presently designated Senior Director - Industrial Affairs (South Asia).
Mr. Rao was Alternate Director to Dr. Carlo de Notaristefani from 29th July 2003 to 26th January 2004 and to Mr. A. Peychaud from 26th March 2004 to 31st October 2006. He was Alternate to Mr. J. M. Georges from 10th November 2006 to 26th October 2009. He was appointed as Alternate to Mr. J. M. Georges from 25th October 2010.
Mr. Rao is not a Director of any other company.
Mr. Rao does not hold any shares in the Company.

EXPLANATORY STATEMENT

Pursuant to Section 102(1) of the Companies Act, 2013

The following Explanatory Statement sets out all material facts relating to Item Nos. 6 to 8 of the accompanying Notice of the Annual General Meeting to be held on 29th April 2014:

1. Item No. 6

Ms. Joanna Potts was appointed as Alternate to Mr. A. Ortolini with effect from 1st May 2013 by a Resolution passed by the Board of Directors at its Meeting held on 30th April 2013. Ms. Potts, being an employee of the Company, was appointed Wholetime Director from the said date, subject to the approval of the Shareholders and the Central Government. The approval of the Central Government has since been received.

She ceased to be Alternate Director with effect from 10th February 2014.

Ms. Joanna Potts started her career in 1985 as an Editor (Scientific Publications). She subsequently held variety of roles in commercial operations of increasing responsibilities in Sales, Marketing and Business Operations of different organisations including Sanofi U.K.

She was appointed Commercial Operations Officer of the Company from 1st January 2013.

Ms. Joanna Potts may be deemed to have held an office or place of profit within the meaning of Section 314(1) of the Companies Act, 1956. The appointment and remuneration paid to her during the period 1st May 2013 to 9th February 2014 require your approval by a Special Resolution.

The remuneration paid and the perquisites provided to her are set out below :

- i) Salary - Rs. 126,000 per month
- ii) Increments - Such increments as may be fixed by the Board of Directors from time to time in the salary range of Rs. 126,000 to Rs. 300,000 per month.
- iii) Special Allowance of Rs. 34,800 per month and such higher amount as may be decided by the Board from time to time.
- iv) Performance Bonus with a target payout of Rs. 527,760 for the financial year ending 31st December 2013 and a payout range of 0% to 200% of target amount to be paid at the end of the financial year, as may be determined by the Board of Directors.
- v) Housing - The Company to provide rent free partially furnished, airconditioned, residential accommodation and partial reimbursement of salary of servant with telephone, gas and electricity, the monetary value of which may be evaluated as per the Income-tax Rules, 1962.
- vi) Medical Aid - Medical aid benefits for self and family as applicable to the Officers of the Company, subject to the condition that the cost of medical benefits to the Company shall not exceed one month's salary per year.
- vii) Free use of the Company's car and reimbursement of salary of driver for use on the Company's business as well as for own use.
- viii) The Company to pay the premium for the Personal Accident Insurance Policy taken for Ms. Joanna Potts along with other Officers of the Company.
- ix) The Company to pay the premium for the Group Insurance Policy taken for Ms. Joanna Potts as per rules of the Company.
- x) The Company to pay fees for one Club (including admission or entrance fees and monthly or annual subscriptions).
- xi) Leave on full pay and allowances as per rules of the Company for such number of days of leave as may be granted to other employees of the Company in the Head Office.
- xii) Return passage money including all incidental charges to United Kingdom on Home Leave once a year by Business Class for Ms. Potts, her husband and dependent children.
- xiii) The Company to pay or reimburse packing, forwarding, loading and unloading expenses as well as freight, insurance, customs duty, clearing expenses, local transportation and installation expenses in connection with the moving of the personal effects of Ms. Potts, her husband and family and also passage moneys at the time of repatriation.
- xiv) Reimbursement of actual travelling, mobile phone and entertainment expenses incurred on behalf of the Company, subject to such ceiling on entertainment expenses as may be imposed by the Board of Directors from time to time.

(All the above perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rule, perquisites shall be evaluated at actual cost.)

MINIMUM REMUNERATION

The above remuneration (including perquisites) shall be paid to Ms. Potts as the minimum remuneration in the event of absence or inadequacy of profits in any financial year of the Company.

OTHER TERMS AND CONDITIONS

- a) She shall not be paid any sitting fees for attending Board/Committee Meetings.
- b) She shall not become interested or otherwise concerned directly or through her husband and / or minor children in any selling agency without prior approval of the Central Government.
- c) The appointment may be terminated by the Company or by Ms. Joanna Potts by giving not less than three months' prior notice in writing.

The Directors are of the opinion that Ms. Joanna Potts' knowledge and experience was of benefit to the Company. The Board, therefore, recommends the acceptance of the resolution set out in item No. 6 of the Notice convening the Meeting.

The said draft agreement referred to in the resolution is available for inspection by the Members at the Registered Office of the Company on any working day between 11 a.m. and 1 p.m. prior to the date of the Annual General Meeting.

No Director is concerned or interested in the resolution set out in item No. 6 of the Notice convening the Meeting.

2. Item No. 7

By a Resolution passed at the Annual General Meeting held on 3rd June 2004, the Members of the Company had approved the appointment of and remuneration payable to Mr. M. G. Rao, Wholetime Director (then Alternate to Mr. A. Peychaud) for a period of five years from 29th July 2003.

By a Resolution passed at the Annual General Meeting held on 24th April 2008, the Members of the Company had approved the re-appointment of and remuneration payable to Mr. M. G. Rao, Wholetime Director (then Alternate to Mr. J. M. Georges) for the period from 29th July 2008 to 5th September 2010.

By Resolutions passed at the Annual General Meetings held on 26th April 2011, 3rd May 2012 and 30th April 2013, the Members of the Company had approved re-appointment of Mr. M. G. Rao as Wholetime Director (being Alternate to Mr. J. M. Georges) for the periods from 25th October 2010 to 5th September 2011, 6th September 2011 to 5th September 2012 and 6th September 2012 to 5th September 2013, respectively.

The Board of Directors has, by a Resolution passed at its Meeting held on 30th July 2013, approved the re-appointment of Mr. M. G. Rao as Wholetime Director of the Company (being Alternate to Mr. J. M. Georges) for the period from 6th September 2013 to 5th September 2014, subject to the approval of the Members of the Company.

Mr. Rao may be deemed to be holding an office or place of profit within the meaning of Section 314 (1) of the Companies Act, 1956. The re-appointment of and remuneration payable to Mr. Rao require your approval by a Special Resolution.

The remuneration proposed to be paid and the perquisites proposed to be provided to Mr. Rao are set out below:

- i) (a) Salary - Rs. 349,700 per month
- (b) Increments - Such increments as may be fixed by the Board of Directors from time to time in the salary range of Rs. 259,000 to Rs. 500,000 per month.
- ii) Special Allowance: Rs. 115,532 per month
- iii) (a) Bonus : 20% of Annual Salary
- (b) Performance Bonus - Payment of Performance Bonus with a target payout of Rs.1,955,971 for the financial year ending 31st December 2013 and a payout range of 0% to 200% of target amount to be paid at the end of the financial year, as may be determined by the Board of Directors. (The target payout will undergo revision every year.)
- iv) Provident Fund - Company's contribution not to exceed 12% of salary.
- v) Gratuity - Gratuity benefits as applicable to Officers of the Company and shall be subject to the maximum amount as may be permitted under the Company's rules in relation to gratuity prevailing from time to time.

- vi) Housing - The Company to provide rent free accommodation in a Company owned or leased flat or to pay Mr. Rao House Rent Allowance of Rs. 100,000 per month or such amount as may be fixed by the Board of Directors from time to time. The flat (either owned or leased or for which House Rent Allowance is paid) shall be partly furnished and air conditioned with reimbursement of gas, water and electricity bills, the monetary value of which may be evaluated as per the Income-tax Rules, 1962.
- vii) Medical Aid - Medical aid benefits for self and family as applicable to the Officers of the Company, subject to the condition that the cost of medical benefits to the Company shall not exceed one month's salary per year.
- viii) Free use of the Company's car (for which maintenance expenses would be borne by the Company), fuel and reimbursement of salary of driver for use on the Company's business as well as for own use. In case the car is leased by the Company, lease rental and maintenance expenses will be paid as per applicable rules of the Company.
- ix) The Company to pay the premium for the Personal Accident Insurance Policy taken for Mr. Rao along with other Officers of the Company.
- x) The Company to pay the premium for the Group Insurance Policy taken for Mr. Rao as per rules of the Company.
- xi) The Company to pay fees for one Club (including admission or entrance fees and monthly or annual subscriptions).
- xii) Leave Travel Concession for self and family for undertaking one or more journeys in India subject to a ceiling of one and half month's salary in a financial year.
- xiii) Leave on full pay and allowances as per rules of the Company for such number of days of leave as may be granted to other employees of the Company in the Head Office.
- xiv) Reimbursement of bills for residential landline and mobile telephone and actual travelling / entertainment expenses incurred on behalf of the Company, subject to such ceiling on entertainment expenses as may be imposed by the Board of Directors from time to time.
- xv) Interest subsidy @ Rs. 4,500 per lakh per annum towards interest on loan taken by him for purchase of house subject to a maximum loan amount of Rs. 25,00,000.

(All the above perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rule, perquisites shall be evaluated at actual cost.)

MINIMUM REMUNERATION

The above remuneration (including perquisites) shall be paid to Mr. Rao as the minimum remuneration in the event of absence or inadequacy of profits in any financial year of the Company but shall not exceed the ceiling laid down in this behalf in Schedule XIII to the Companies Act, 1956, from time to time.

OTHER TERMS AND CONDITIONS

- a) He shall not be paid any sitting fees for attending Board/Committee Meetings.
- b) He shall not become interested or otherwise concerned directly or through his wife and / or minor children in any selling agency without prior approval of the Central Government.
- c) The appointment may be terminated by the Company or by Mr. Rao by giving not less than three months' prior notice in writing.

The Directors are of the opinion that Mr. Rao's knowledge and experience will be of benefit to the Company. The Board, therefore, recommends the acceptance of the resolution set out in item No. 7 of the Notice convening the Meeting.

The said draft Agreement referred to in the resolution is available for inspection by the Members at the Registered Office of the Company on any working day between 11 a.m. and 1 p.m. prior to the date of the Annual General Meeting.

No Director, excepting Mr. Rao, is concerned or interested in the resolution set out in Item No. 7 of the Notice convening the Meeting.

3. Item No. 8

Under Section 309(2) read with Section 309 (4) of the Companies Act, 1956, Non Executive Directors may receive remuneration by way of a fee for each Meeting of the Board or a Committee attended and by way of a monthly, quarterly or annual payment with the approval of the Central Government or by way of commission if the Company by special resolution authorises such payment. The remuneration paid to such Director or where there is more than one such Director shall not exceed one percent of the net profits of the Company if the Company has a Managing Director or three percent of the net profits of the Company, in any other case.

The Company presently pays sitting fees of Rs. 20,000 for each Board / Committee Meeting attended by Non Executive Directors which payment was authorised by resolution passed at the Annual General Meeting held on 22nd June 2005.

Considering the time spent by the Non Executive Directors and the valuable advice given by them to the Management of the Company, the Board of Directors had considered it desirable that they should be paid commission in addition to sitting fees, a practice followed by large companies.

On the recommendation of the Board of Directors, a Special Resolution had been passed at the Annual General Meeting held on 27th April 2010 approving of the payment of commission to the Company's Directors, other than the Managing Director and Wholetime Director(s) or Directors who are employees of Sanofi-aventis or companies of Group Sanofi-aventis, of an amount as may be determined by the Board of Directors, from time to time, subject to a ceiling of 1% of the net profits of the Company, computed in the manner laid down in Section 198(1) of the Companies Act, 1956 with authority to the Board of Directors to distribute such commission amongst such Directors in such manner as the Board of Directors may from time to time decide.

The said Resolution was valid for a period of 5 years from 1st January 2009 upto the financial year ended 31st December 2013. The Board, therefore, recommends that the Company's Directors other than the Managing Director, Wholetime Director(s) and Directors who are employees of Sanofi or companies of the Sanofi Group continue to be paid commission, in addition to sitting fees, for a period of 5 years from 1st January 2014.

The payment of commission would need your approval by Special Resolution.

All the Directors, other than the Managing Director, Wholetime Directors and Directors who are employees of Sanofi or companies of the Sanofi Group, are interested in this item of business to the extent of the remuneration proposed for them.

By Order of the Board

K. SUBRAMANI
COMPANY SECRETARY

Registered Office:
54/A, Sir Mathuradas Vasanji Road
Andheri East
Mumbai 400 093

Mumbai, 3rd March 2014

SANOFI INDIA LIMITED

Registered Office : 54/A, Sir Mathuradas Vasanji Road, Andheri East, Mumbai 400 093

PROXY FORM

Reg. Folio No. / DP Id No. / Client Id No.

I/We

of.....

.....

.....in the district of.....

being a member/members of the above named Company hereby appoint

.....of.....

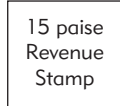
in the district of.....or failing him

of.....in the district of.....

as my/our proxy to vote for me/us on my/our behalf at the FIFTY-EIGHTH ANNUAL GENERAL MEETING of the Company to be held on 29th April 2014 and at any adjournment(s) thereof.

Signed this.....day of.....

Signature.....



Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the Meeting.

SANOFI INDIA LIMITED

Registered Office : 54/A, Sir Mathuradas Vasanji Road, Andheri East, Mumbai 400 093

ATTENDANCE SLIP

Fifty-eighth Annual General Meeting - 29th April 2014

Reg. Folio No. / DP Id No. / Client Id No.

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the FIFTY-EIGHTH ANNUAL GENERAL MEETING of the Company at Y. B. Chavan Centre - Auditorium, Near Sachivalaya Gymkhana, General J. Bhosale Marg, Mumbai 400 021 on Tuesday, 29th April 2014.

.....
Member's/Proxy's name in full

.....
Member's/Proxy's Signature

Note : Please fill in this attendance slip and hand it over at the ENTRANCE OF THE MEETING HALL



better every day



re-inventing. transforming. evolving



58TH ANNUAL REPORT 2013

SANOFI INDIA LIMITED





re-inventing
transforming
evolving





FOREWORD

Millions of people depend on Sanofi every day. Patients want to get better faster, doctors want better treatment options and employees want to better their lives.

Sanofi also shares this need for consistent development, evolution and growth.



better every day

...is the tune every Sanofi employee wakes up to and hums through the day. It not only inspires them to do more, but also challenges them to do better.

A challenge that requires us to... **re-invent** **transform** **evolve** every day! To look at the things we do with a fresh perspective; to infuse a renewed vigor in our actions, to explore novel approaches and to tread new grounds. **Symbolized in this Annual Report through the art of recycling**; re-using everyday objects to illustrate your Company's journey to re-invent and transform itself each and every day.

With our core values - **Confidence, Respect, Innovation, Integrity and Solidarity** - guiding our evolution, Sanofi India is getting **better every day**.

re-inventing
transforming
evolving



CONFIDENCE

STANDING OUT TO GET

better every day

We are confident; standing up for what we believe in and pursuing our goals passionately. Always resilient, we dare to challenge the norm.

Sanofi India's Managing Director Shailesh Ayyangar was unanimously elected as the President of the Organization of Pharmaceutical Producers of India (OPPI) for 2013-2014.

Further, he was included by Businessworld Magazine in their coveted list of 'India's Most Valuable CEOs' (in mid-sized companies category) in 2013.



Sanofi India's innovative, indigenously manufactured re-usable insulin pen AllStar™, won the **prestigious 2013 GOOD DESIGN™ Award**. Founded in Chicago in 1950, GOOD DESIGN remains the oldest and most recognized award for design excellence worldwide. AllStar™ was also recognized with a FINALIST certificate, at the **15th Annual Medical Design Excellence Award Ceremony (MDEA), USA**.



Your Company was recognized for its diabetes public awareness campaign '**Sanofi Diabetes Blue Fortnight 2012**' at the **2013 SABRE AWARDS INDIA** organized by Holmes Report and PRCAI; **winning GOLD SABRE 'Certificate of Excellence' in 3 categories** - Public Sector, Public Education and Healthcare.

In 2013, **Sanofi India's Information Services (IS)** team participated in the **Technology Premier League (TPL)**, an inter-corporate IT team challenge and brought home 3 Partner Awards for 'Innovative use of technologies to resolve complex business challenges'.



Your Company's sales force continued their relentless pursuit of performance and excellence in 2013.



The **CONFIDENCE** that your Company exudes, emanates from its men and women who work with passion and purpose to get **better every day**; committed to our goal of making quality medicines available to patients across the length and breadth of India.

RESPECT

EMBRACING DIFFERENCES TO GET

better every day

We recognise and respect the diversity and needs of our people, patients and partners, ensuring transparent and constructive interactions through mutual trust.

WE
BUILD
TRUST



re-inventing
transforming
evolving



In 2013, your Company partnered with the medical community for a variety of programs aimed at equipping medical practitioners with the latest scientific updates across therapeutic areas; the key objective being to improve the overall treatment outcomes in our country. These included:

Young@ Heart, a joint initiative by your Company's Thrombosis and Cardiology teams, for medical students - tomorrow's cardiologists- to equip them with the latest advancements in the field of Interventional Cardiology.



Your Company's Cardiology team conducted an innovative CME (Continuous Medical Education) program across India, titled **The Unholy Trinity**. This initiative brought Indian experts in cardiology, nephrology and endocrinology together on one platform, to facilitate discussions on the strong co-relation between coronary artery disease, kidney disease and diabetes, and collaborative treatment approaches.



Sanofi's Thrombosis team organized the **Indian Cardiology Summit**, a scientific platform wherein leading cardiologists share their practices and, in the process, consultant physicians enrich their learning. 50 top city physicians attended the summit in Kolkata, under the supervision of Prof. Arup Das Biswas, Head of Department- NRS Medical College & Hospital, Kolkata.

Sanofi India's Consumer Healthcare team launched the second edition of **CASA** (Cartilage treatment Advocacy Science in Action) with a multi-city educational initiative. CASA is a platform initiated for sharing information on new technologies and approaches, in addressing challenges faced by clinicians in the management of Osteoarthritis and other joint-related disorders. Your Company also participated in the Golden Jubilee Congress of the Asia Pacific Orthopedic Association (APOA) and the 7th Congress of the Asia Pacific Knee Society.

The Diabetes team partnered with the Indian Medical Association Maharashtra Chapter for **Diamond (Diabetes Management and Ongoing Updates) Symposium** in Goa wherein 10 eminent speakers addressed 165 consultants on the latest updates in the treatment of diabetes. Participating doctors also visited Sanofi's Goa Manufacturing site and got a first hand experience of your Company's manufacturing capabilities.



Sanofi's Central Nervous System team participated in **IANCON** (Indian Academy of Neurology Conference) Ahmedabad, where renowned national and international experts discussed the latest trends in neurology. More than 150 neurologists attended Sanofi's scientific symposium on updates in the management of generalized and partial epilepsy.

At the **EAACI-WAO Congress 2013** (European Academy of Allergy and Clinical Immunology, and World Allergy Organization) held at Milan, leading chest physicians, pediatricians and otolaryngologists from India participated in Sanofi's scientific event for discussion on **'Optimizing the treatment of Allergic diseases in 2013.'**



As part of Sanofi's Hospital team's **IDEAS** (Right Initiation, Duration, and Expertise of Antimicrobials) initiative, a video-based panel discussion was conducted with eminent scientific thought leaders in Critical Care Medicine & Infectious Diseases, on appropriate treatment guidelines for Antimicrobial Management of critically ill ICU patients. The learnings from this discussion have since been disseminated to Critical Care specialists across 40 cities and 250 hospitals in India to facilitate better healthcare treatment to ICU patients.



Your Company also reached out to the general public through a plethora of health awareness campaigns in 2013, to empower people to take control of their health. Some of the prominent campaigns were:

Diabetes awareness initiative

Building upon awareness over several years, the 'What Step Will YOU Take Today' campaign encouraged people to take proactive steps to effectively prevent, manage and control diabetes. Renowned actor and acclaimed dancer, Madhuri Dixit - Nene, joined this campaign as a goodwill ambassador by creating a 'signature step' to instill solidarity for patients with diabetes. The underlying message demonstrated through this symbolic dance step, was that everyone - general public, patients, family members, caregivers - 'can' and 'must' take action for better diabetes management. **Madhuri Dixit - Nene was joined by 8 Diabetes Patient Champions from across India, winners of Sanofi's 2013 'I Am A Champ' National Awards, to perform this first-ever dance step for diabetes. These winners were recognized for having successfully controlled their condition, through treatment compliance, lifestyle management and most importantly, a positive attitude. The campaign was widely covered in print and digital media, consequently reaching out to over 11 million people. The Sanofi team spread across India, conducted around 900 activities for awareness, care and education as part of this initiative.**



Your Company also supported the **Confederation of Indian Industry (CII)** and **Municipal Corporation of Greater Mumbai's (MCGM)** joint 'Drive against Diabetes' campaign, to screen 200000 people in Mumbai across city hospitals, parks, popular places and corporate spaces.



Epilepsy awareness initiative

Observing the National Epilepsy month with its '**Seizure Free India**' initiative, **Sanofi's Central Nervous System (CNS)** team organized 1300 patient awareness, engagement and empowerment activities. These included 975 patient awareness programs through use of patient education videos, leaflets, seizure diaries, and doctor lectures; epilepsy awareness programs in 40 schools wherein pediatric neurologists took sessions for students and teachers; and 283 painting competitions by select neurologists for their patients.



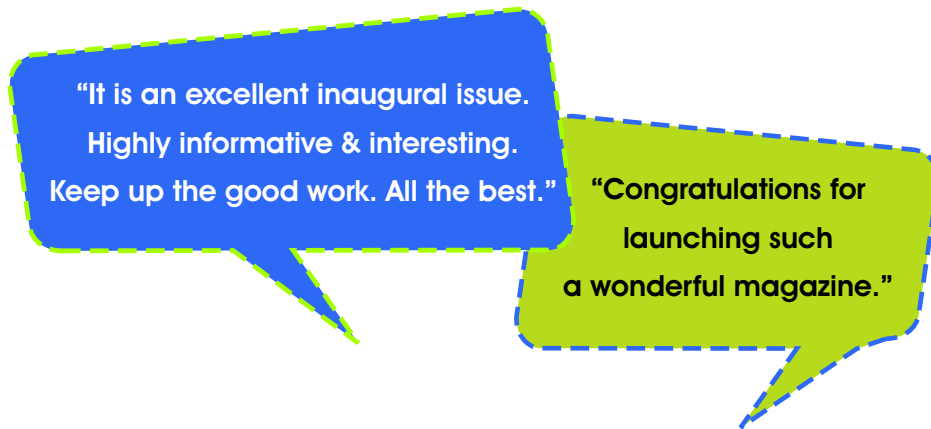
Recognizing the need for a stronger connect with its Distribution partners, your Company launched 'Sandesh - Sanofi Communication to Distribution Partners' in 2013.

Sanofi India's Distribution partners have always expressed their desire to augment their relationship with your Company and get frequent updates on its activities. 'Sandesh - Sanofi Communication to Distribution Partners' comprises a Monthly E-News service (a compilation of relevant industry news) and a Quarterly E-Newsletter (Updates from the Sanofi world and general information topics relevant to distributors).



'Sandesh' is available in both English and Hindi.

The initiative has been enthusiastically received by our Distribution partners.



Your Company's Patient Support Programs 'Saath 7' and 'Aashayein' in Diabetes and Oncology respectively, continued their service to patients in 2013.

In addition to their regular activities, the team of 'Saath 7'- one of the industry's longest running patient support programs in diabetes - partnered with Dr. C. S. Yajnick of KEM Hospital, Pune, to organize a Summer Camp for children with diabetes. The camp met with an overwhelming response from about 70 Type-1 young diabetic patients participating in various activities like art, crafts, painting, dance, drama, etc. that were aimed at encouraging the children and boosting their confidence.

Diversity is increasingly being understood and accepted in your Company, particularly gender diversity.

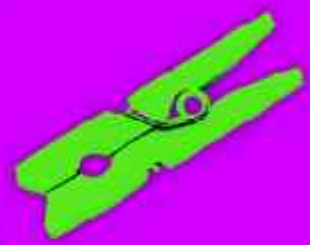
Over the years, Sanofi India has celebrated Women's Day; however, since 2011 (Centenary Year), the Day is celebrated in a more thought-provoking manner - with debates on work-life balance, equal pay and multi-tasking. **For its 2013 Women's Day Celebrations, your Company focused on relevant subjects such as safety, health and work-life balance.**

Self-defense workshops were also initiated for women employees, equipping them with simple techniques to protect themselves.



Your Company recognizes that to **RESPECT** means to listen, understand and take action to address the diverse needs of our people, patients and partners; and to do it **better every day.**

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transforming
evolving



INNOVATION

FORWARD THINKING TO GET
better every day

We encourage our people and partners to embrace creative solutions and excel through entrepreneurship.

In 2013, your Company continued to think forward; developing and launching new therapeutic solutions that renew hope in patients

Your Company strengthened its Gynecology portfolio with the launch of two women's health products:

FerrohexTM

an iron supplement indicated in Iron Deficiency Anemia, which is a growing pandemic in India.

AminofitTM Forte

an amino-acid formulation to tackle Gestational complications, which helps in improving birth weight and growth of the foetus.

EnlargeTM Forte

Your Company also launched Enlarge ForteTM as a Health supplement in Erectile Dysfunction, a health problem affecting a large population of males in India.

Three new pain relief brands were launched in the year:

Combiflam[®] PLUS

a targeted, fast and effective OTC solution for headaches.

Baralgin[®] NU

a new formulation for the management of abdominal and spasmodic pain.

Novalgin[®] NU

for the management of headache, migraine and other musculoskeletal pains.

Your Company launched **allegra M**, a new variant of AllegraTM (its leading brand in the anti-histamine market), for patients with Allergic Rhinitis and co-morbid conditions.

Innovation at Sanofi is shaping tomorrow's health, today. Towards this end, your Company launched several initiatives and partnerships in 2013.

Your Company signed a **Memorandum of Understanding (MOU)** with the **Research Society for Study of Diabetes in India (RSSDI)**, the largest organization of diabetes healthcare professionals and researchers in Asia. Under this MOU, Sanofi India has created a corpus fund, which will be utilized to award healthcare professionals and researchers for their contribution towards diabetes research in Asia. Dr. R. Nagarathna from Bengaluru, was the first recipient of the award for her outstanding work in diabetes.



Sanofi launched its 'Healthy children, happy children' (HCHC) initiative on Children's day.

Sanofi has over the years, provided medication and healthcare tools to address numerous fundamental childhood health issues, from routine to life-threatening. With the launch of the 'Healthy children, happy children' initiative, Sanofi aims to diversify and adapt its healthcare offer, with innovative products, services and awareness initiatives for children, parents, healthcare professionals, as well as public authorities.



**Healthy children,
happy children**

Kick-started India's largest student-led campaign on children's health.

Sanofi India Limited joined hands with PVR Nest (the social program and registered foundation of India's largest film entertainment company, PVR Limited) to launch India's largest student-led campaign on children's health. The program titled CineArt 'Healthy children, happy children' brings together leading Indian pediatricians, NGOs and artists specialised in creative learning, to mentor 2,00,000 children from 200 schools (an equal mix between Public/Private held schools and NGO/Community schools) in 4 cities of India - Chennai, Delhi, Hyderabad and Mumbai, on critical aspects of children's health. By utilizing non-authoritarian and creative techniques in schools, the program endeavors to make children's health education real, innovative and participatory.



Through 2014, 600 health workshops using experiential learning methodologies like puppetry, theatre, storytelling and capacity building exercises, are expected to be tapped to sensitize children on relevant health topics such as hygiene, environment, play and exercise, disability and discrimination, vaccination, ergonomics, among others.

Inaugurated Sanofi's fifth Fun Center in India.

As part of the HCHC launch, Sanofi India Limited's **'Fun Center'** - a recreational area integrated with a pediatric unit to help children coping with long term hospitalization - was inaugurated at **B. J. Wadia Hospital, Mumbai**. This is Sanofi's fifth Fun Center in India, however, the first in a large Pediatric Trust hospital. In this child-friendly decorated playroom, children can take their minds off their treatment regimen, by playing with toys, reading comic books, or novels, quiz / riddle books, playing board games or watching children's movies and cartoons.



INNOVATION is a way of life at Sanofi India; as your Company constantly seeks to re-invent itself and get better every day to make a real and meaningful difference to healthcare in India.

INTEGRITY

ACTING ETHICALLY TO GET

better every day

We commit to maintain the highest ethical and quality standards without compromise.



re-inventing
transforming
evolving

Your Company believes that ethical business conduct cannot be dissociated from economic performance.

Transparency in relationships with third parties is vital, to protect the interests of patients and communities, while preserving Sanofi's reputation and the interests of its shareholders. Your Company is convinced that it is essential to demonstrate exemplary compliant behavior in its marketing practices; and that the completeness, fairness and reliability of the information it provides to healthcare professionals, helps protect patient safety and ensures the proper use of medicines.

Our Code of Ethics is our guiding framework and a Pledge of our Integrity. Your Company's employees are committed to being ethical and conscientious, notably in the following areas covered under the Code of Ethics.

- Respect for the Individual
- Respect for Privacy and Personal Data Protection
- Respect for Health, Safety and the Environment
- Confidentiality and Protection of Sensitive Information
- Protecting our image: social media
- Prevention of Conflicts of Interest
- Prevention of Insider Dealing
- Financial Information and Responses to Enquiries
- Involvement in Political and Public Life
- Respect for Free Competition
- Fighting Bribery and Corruption
- Good Promotional Practices
- Security in dealings with contractors
- Duty to Inform



Compliance



Our Shared ethics

Your Company's Compliance and Management teams are dedicated to raising awareness of ethical conduct; organizing trainings, sharing expectations and defining responsibilities for employees, on the 'Code of Ethics' and other relevant subjects related to integrity, on a regular basis.

"We are in the business of healthcare, and healthcare matters to people in a way like no other. We have an obligation therefore that extends really beyond where most other industries go, and one of those obligations is exemplarity in our corporate behavior. Ethics and compliance have to be the hallmark of everything we do."

- Chris Viehbacher (Chief Executive Officer, Sanofi) in his keynote address at the 47th OPPI (Organisation of Pharmaceutical Producers of India) Annual General Meeting.



INTEGRITY is one of your Company's core values. Sanofi employees - wherever they are and whatever they do - endeavor to demonstrate our corporate culture and ethics **better every day**, to ensure that patients and medical practitioners are confident in the safety and efficacy of our medicines.

re-inventing
transforming
evolving



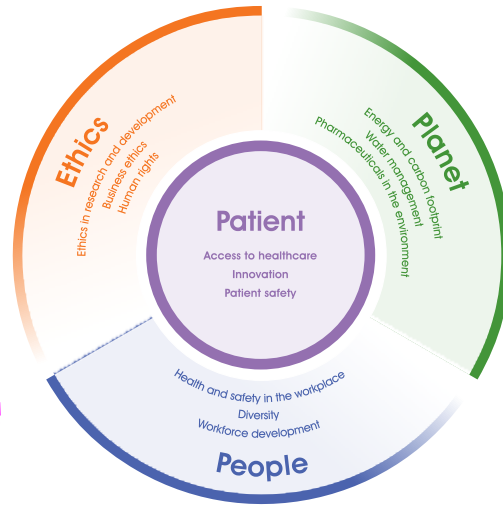


SOLIDARITY

SOCIALLY RESPONSIBLE TO GET
better every day

We are united in shared responsibility for our actions, our people, the wellbeing of our patients and in achieving a sustainable impact on the environment.

Your Company's sustainability approach places the patient at the heart of the way we conduct our business. Our strategy has four key areas: Patient, Ethics, People and Planet. These areas are at the center of our development strategy as we firmly believe that our long-term sustainability depends on them.



In 2013, Sanofi India continued to engage in multiple initiatives that were mutually beneficial and relevant to its business, its customers and stakeholders; and are a testament to its deep-rooted sense of corporate responsibility.

- Agreement signed with India's largest wind turbine manufacturer **Suzlon Energy Limited (SEL)**, for a **2.1 MW (megawatt) offsite windmill** installation to generate renewable power, for captive consumption at the Ankleshwar manufacturing site. The site also commissioned an innovative **Waste Water Treatment Plant (WWTP)** as a step towards water conservation.



- Responded to humanitarian emergencies in Uttarakhand and Odisha, reaching out to **19,500 survivors** with medicines and customized care kits.

- Launched **'Gyan Express'**, an initiative to mentor underprivileged children in Mumbai, in association with Concern India Foundation. Employees contributed their time and effort towards mentoring 50 children from 4 NGOs over a period of two months; educating them on diverse topics like health, science, general knowledge, while closely interacting with them to build their aspirations and boost their confidence. The children subsequently participated in an exciting quiz organized at the Sanofi India Head Office, after which they interacted with employees and were also introduced to the working of a corporate office.



- Supported reputed **NGO Childline** for the 9th consecutive year with 52 of its employees participating in the prestigious Standard Chartered Marathon held in Mumbai.









- Your Company's employees continued to volunteer for OPPI's initiative to help reduce Maternal Mortality in India; participated in health check-up camps to reach out to more than 1000 mothers.



SOLIDARITY is one of our biggest strengths in this journey to get better every day. Our employees contribute to making Sanofi a company that cares about its people, and acts conscientiously in response to health needs of the populations it serves.

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INFORMATION

(as on February 25, 2014)



BOARD OF DIRECTORS

Dr. Vijay Mallya
(Chairman)

Dr. Shailesh Ayyangar
(Managing Director)

Mr. F. Briens

Ms. Virginie Boucinha

Mr. J. M. Georges

Mr. S. R. Gupte

Mr. Rangaswamy R. Iyer

Mr. A. K. R. Nedungadi

Mr. A. Ortolì

Mr. M. G. Rao
(Alternate to Mr. J. M. Georges)

Company Secretary
Mr. K. Subramani

Registered Office

54/A, Sir Mathuradas VasANJI Road
Andheri East, Mumbai 400093

Manufacturing Sites

3501-15, 6310, B-14, GIDC Estate
Ankleshwar 393002

GIDC, Plot No. L-121

Phase III, Verna Industrial Estate
Verna, Goa 403722

Registrars & Transfer Agents

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup West,
Mumbai 400078

Auditors

M/s. S. R. Battiboi & Co. LLP

Solicitors

M/s. Crawford Bayley & Co.

Bankers

Citibank N.A.
Deutsche Bank
Hongkong & Shanghai Banking Corpn. Ltd.
State Bank of India
HDFC Bank Limited
BNP Paribas
ING Vysya Bank Ltd.

58th Annual General Meeting

Date: Tuesday, April 29, 2014

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

Time: 2.30 p.m.

OUR COMMITMENT

better health every day

Every day, we are creating new approaches to our activities and work sectors, and are mobilized for our priority goal of bringing healthcare solutions to the people of India.





MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

It gives me great pleasure to share with you the 58th Annual Report of your Company, and relate our journey through 2013.

It was indeed a challenging year for the country, the industry and for Sanofi; characterized by a weakening currency, an unprecedented slump in economy (GDP declining to less than 5%), an uncharacteristic dip in the Indian Pharmaceutical Market (IPM) growth, and policy measures such as the expansion of NLEM (National List of Essential Medicines) impacting the industry's profitability.

The many hurdles in our path were a constant challenge that made us reach within ourselves to do more, do better.

Staying focused and optimistic, we went forth, re-inventing, transforming and evolving ourselves to be BETTER EVERY DAY - better in terms of providing health solutions to our patients and also better at growing our business; aptly reflected in the theme of this year's Annual Report, and demonstrated through our strong financial results.

In 2013, your Company continued to consolidate its position, to become a leader in diabetes in India through innovative partnerships, scientific activities, team expansion, and large scale public awareness initiatives. After a successful launch in 2012, AllStar™ - your Company's innovative indigenously manufactured re-usable insulin pen, went on to win the prestigious 2013 GOOD DESIGN™ Award; the oldest and most recognized award for design excellence globally.

Initiatives such as 'Drive Against Diabetes' with the Confederation of Indian Industry (CII) and Municipal Corporation of Greater Mumbai (MCGM), enabled us to partner with healthcare authorities and industry counterparts, and demonstrate the power of our shared commitment towards addressing India's healthcare challenges. Our other therapeutic areas, especially Central Nervous System, Cardiology and Thrombosis, have conducted excellent programs to connect doctors, bring them latest scientific findings and updates, and partner with them in improving access to quality healthcare for patients.

We continued to strengthen our capabilities in Consumer Healthcare with the launch of new products, while simultaneously, striving for improved productivity in our pharmaceutical business. Sensing the difficult year faced by the Company on the domestic sales front due to several headwinds, we excelled in our export sales performance and recorded an all-time high export sales. This has helped your Company to deliver strong double digit growth in sales and profits in a very difficult year.

As we grow our business, we have increased our efforts to return to society and the environment. Several new initiatives were undertaken to save energy, as well as help the deprived and suffering sections of our society as a mark of solidarity.

As always, the New Year 2014 will bring fresh challenges. Your Company like in past years, remains committed to serving the patients through excellent products and services while striving to achieve excellence in execution in everything we do.

Backed by our strong values, the commitment of our people, encouragement of our shareholders, support of our partners, and trust of our patients, we stand poised and determined to make a real difference to healthcare in India.

I thank you for your continued support and encouragement. I would like to place on record my deepest gratitude and appreciation towards every member of your Company, who stood by Sanofi India in this difficult year.

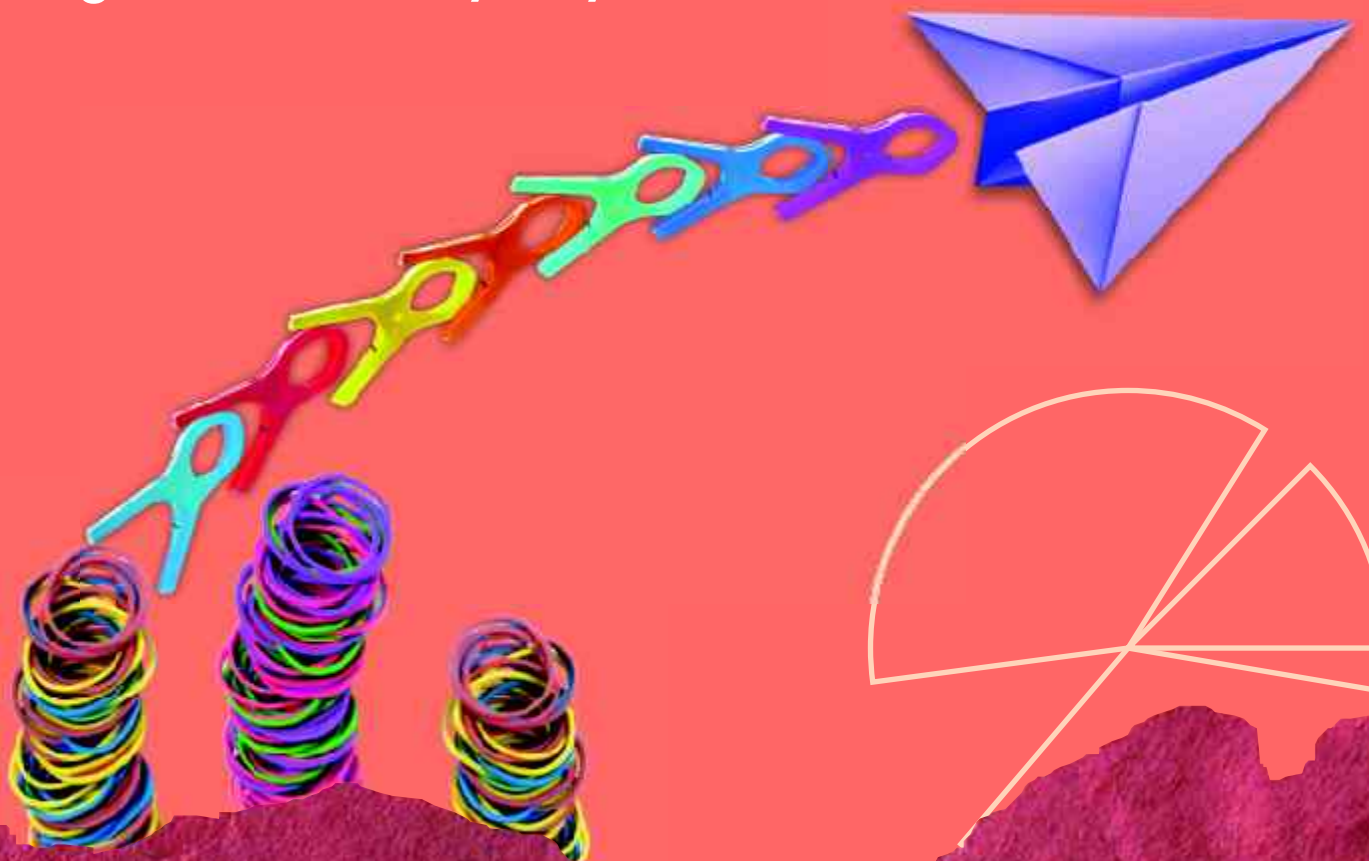
Yours sincerely,

Shailesh Ayyangar



GENERATING SUSTAINABLE GROWTH

to get better every day



Financial summary

(Rs. in Million)

SALES, PROFIT & DIVIDEND	2013*	2012	2011	2010**	2009	2008	2007	2006	2005	2004
Sales (Gross)	17,524	15,336	12,586	11,073	9,958	10,294	9,317	9,367	8,581	7,904
Profit before Depreciation Interest & Tax (PBDIT)	4,558	3,530	3,155	2,566	2,589	2,781	2,415	2,677	2,536	2,431
Profit before Interest & Tax (PBIT)	3,635	2,631	2,844	2,369	2,416	2,599	2,230	2,499	2,364	2,263
Profit before Tax (PBT)	3,631	2,617	2,840	2,340	2,415	2,596	2,228	2,497	2,364	2,262
Profit after Tax (PAT)	2,398	1,767	1,912	1,550	1,574	1,662	1,444	1,693	1,451	1,485
Dividend (Amount)	1,036	760	760	1,267	461	368	368	737	368	368
Rate (Rs. per share)	45	33	33	55**	20	16	16	32§	16	16

SHARE CAPITAL & CAPITAL EMPLOYED	2013*	2012	2011	2010**	2009	2008	2007	2006	2005	2004
Share Capital	230	230	230	230	230	230	230	230	230	230
Shareholders' Funds #	13,467	12,041	11,166	10,142	9,318	8,291	7,069	6,082	5,238	4,218
Capital Employed #	13,467	12,041	11,166	10,142	9,318	8,291	7,069	6,082	5,238	4,218
Represented by: Fixed Assets (net) & Investments #	8,350	7,432	7,602	1,848	1,772	1,543	1,503	1,509	1,472	1,597
Net Current & Other Assets	5,117	4,609	3,564	8,294	7,546	6,748	5,566	4,573	3,766	2,621

RETURN	2013*	2012	2011	2010**	2009	2008	2007	2006	2005	2004
On Sales (PBT) %	20.7%	17.1%	22.6%	21.1%	24.3%	25.2%	23.9%	26.7%	27.5%	28.6%
On Capital Employed (PBIT) %	27.0%	21.9%	25.5%	23.4%	25.9%	31.3%	31.6%	41.1%	45.1%	53.7%
On Shareholders' Funds (PAT) %	17.8%	14.7%	17.1%	15.3%	16.9%	20.0%	20.4%	27.8%	27.7%	35.2%
Per Share (PAT) Rs.	104.12	76.71	83.01	67.39	68.35	72.26	62.71	73.51	63.00	64.48
Personnel Cost	2,421	2,136	1,764	1,633	1,440	1,192	1,037	785	735	632
No. of Employees	3,291	3,164	2,943	2,282	2,106	2,070	2,065	1,811	1,465	1,250

* Figures for the year 2013 exclude the impact of exceptional item relating to profit earned on sale of "other than trade investments"

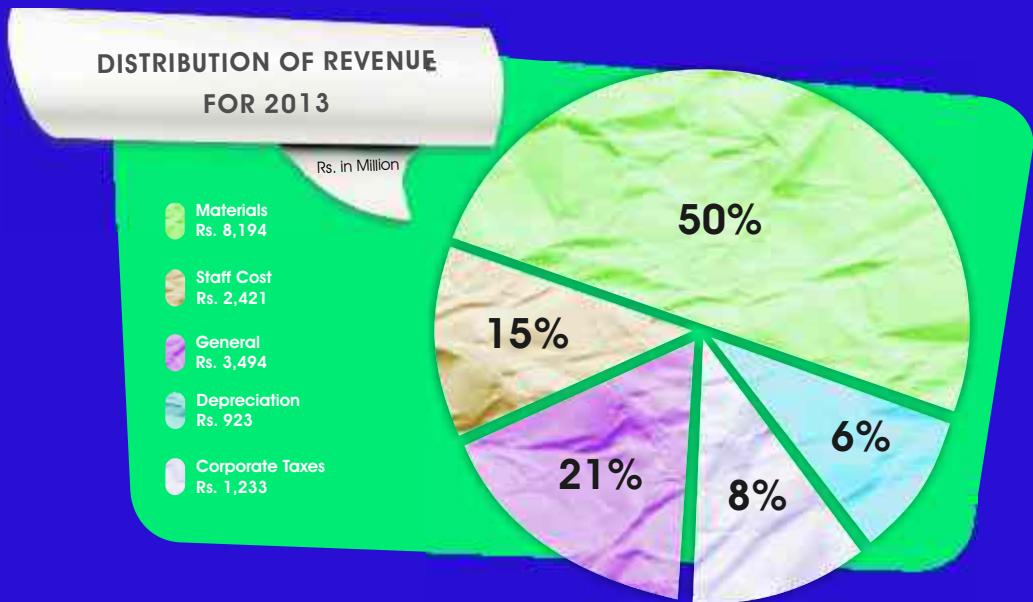
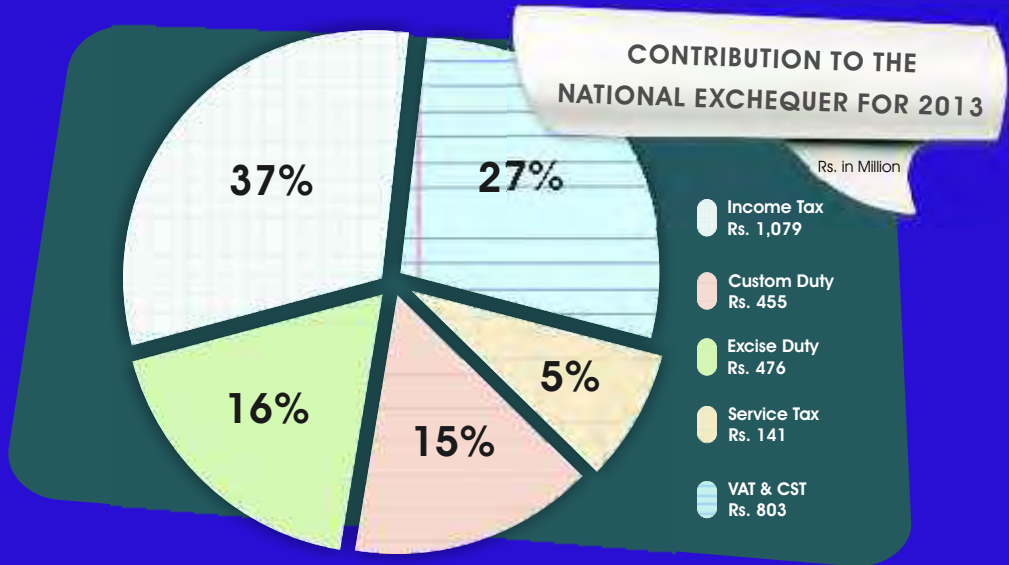
&& Figures for the year 2010 exclude the impact of exceptional item of Rs. 958 Million (net of tax : Rs. 757 Million) being the profit on sale of 49,00,000 Equity Shares of Chiron Behring Vaccines Private Limited

** Includes Special dividend of Rs. 28 per share

§ Includes Special One-Time Golden Jubilee dividend of Rs. 16 per share

Includes revaluation of fixed assets since 1986

Financial summary





REPORT OF THE DIRECTORS TO THE MEMBERS OF THE COMPANY

Your Directors have pleasure in presenting the Audited Accounts of your Company for the Fifty-eighth financial year ended 31st December 2013.

FINANCIAL RESULTS

	Rs. in Lakhs	
	2013	2012
Net Sales	170,646	149,385
Other Operating Income	10,240	7,919
Other Income	5,786	4,117
Profit before Tax and Exceptional Items	36,308	26,171
Provision for Taxation	12,328	8,505
Net Profit after Tax and before Exceptional Items	23,980	17,666
Exceptional Item	2,538	-
Net Profit after Tax and Exceptional Items	26,518	17,666
Balance brought forward from previous year	91,332	84,265
Available for appropriation	117,850	101,931
Which your Directors have appropriated as follows:		
Interim Dividend (paid in August 2013)	2,303	921
Provision for Final Dividend	8,061	6,679
Tax on Interim and proposed Final Dividend	1,812	1,232
Transfer to General Reserve	2,652	1,767
Balance carried to Balance Sheet	103,022	91,332

DIVIDEND

An Interim Dividend of Rs. 10 per Equity Share of Rs. 10 was declared by the Board of Directors and was paid in August 2013.

Your Directors recommend payment of Final Dividend of Rs. 35 per Equity Share of Rs. 10. If declared by the Shareholders at the Annual General Meeting to be held on 29th April 2014, the Dividend (including Interim Dividend) will absorb Rs. 10,364 lakhs representing distribution of around 39% of the Net Profit of the Company.

The proposed Final Dividend will be paid to:

- those Members whose names appear on the Register of Members of the Company on 29th April 2014; and
- those whose names appear as beneficial owners as at the close of business on 17th April 2014, as per details to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited.


MANAGEMENT DISCUSSION AND ANALYSIS

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis Report is appended.

DIRECTORATE

In accordance with the Articles of Association of the Company, Mr. S. R. Gupte and Mr. J. M. Georges retire by rotation and are eligible for re-election.

Ms. Joanna Potts was appointed as Alternate to Mr. A. Ortolini with effect from 1st May 2013. Ms. Potts, being an employee of the Company, was appointed as Wholetime Director, subject to the approval of the Members of the Company and the Central



Government. The approval of the Central Government has since been received. She ceased to be Alternate Director with effect from 10th February 2014.

Mr. J. M. Gandhi, Independent Director, resigned with effect from 1st July 2013.

Your Directors have placed on record their appreciation of the services rendered by Mr. Gandhi during his tenure as Director for over 12 years.

Mr. Rangaswamy R. Iyer was appointed an Independent Director with effect from 30th October 2013 in the casual vacancy caused by the resignation of Mr. Gandhi. He holds office upto the date Mr. Gandhi would have held office if he had not resigned.

Mr. M. G. Rao was re-appointed as Wholetime Director (being Alternate to Mr. J. M. Georges) for the period from 6th September 2013 to 5th September 2014, subject to the approval of the Members in General Meeting.

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

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in the Annexe to this Report.

PARTICULARS OF EMPLOYEES

As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are set out in the annexe to the Directors' Report.

Your Directors place on record their appreciation of the valuable contribution made by the employees of your Company.

CASH FLOW AND CONSOLIDATED FINANCIAL STATEMENTS

As required by Clause 32 of the Listing Agreement, a Cash Flow Statement is appended.

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

CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement, a Report on Corporate Governance is appended along with a Certificate of Compliance from the Auditors.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 217(2AA) of the Companies Act, 1956, your Directors certify as follows:

1. The annexed accounts for the financial year ended 31st December 2013 have been prepared on a going concern basis.
2. In preparation of the said Accounts all the applicable accounting standards have been duly followed and complied with and there were no material departures from the same.
3. Your Directors have selected such accounting policies and applied them consistently along with proper explanation relating to departures, if any and made judgements 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 ended 31st December 2013 and of the profit of the Company for that year.
4. Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

COST AUDIT

The Central Government had ordered that audit of the cost accounts maintained by the Company in respect of bulk drugs and formulations be conducted by an Auditor with the qualifications prescribed under Section 233B of the Companies Act, 1956. The Board of Directors re-appointed M/s. N. I. Mehta & Co., Cost Accountants, to audit the cost accounts in respect of bulk drugs and formulations for the financial year ended 31st December 2013. The cost audit reports for the financial year ended 31st December 2013 are due to be filed by 30th June 2014.

The cost audit reports for the financial year ended 31st December 2012 were filed in August 2013.



AUDITORS

M/s. S. R. Batliboi & Co. LLP, your Company's Auditors, have expressed their unwillingness to be re-appointed as Auditors on their retirement at the ensuing Annual General Meeting. The Board recommends that M/s. S R B C & Co. LLP, Chartered Accountants, be appointed as Auditors of the Company from the conclusion of the ensuing Annual General Meeting on such remuneration as may be fixed by the Board of Directors of the Company.

Both M/s. S R B C & Co. LLP and M/s. S. R. Batliboi & Co. LLP are part of the same network of firms.

By Authority of the Board

DR. VIJAY MALLYA
CHAIRMAN

Mumbai, 25th February 2014



ANNEXE TO THE REPORT OF THE DIRECTORS

Statement containing particulars pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 forming part of the Report of the Directors.

A. CONSERVATION OF ENERGY

Energy Conservation measures undertaken in 2013:

Goa factory

- New 3 Ton Biomass boiler installed for steam generation
- Security and car parking lighting shifted to solar electricity
- Natural illumination from roof with poly carbonate sheets provided in technical area of production - 2 building

Ankleshwar factory

- Rebate @ 0.5% for every 0.01 improvement in power factor above 0.95
- Drinking water pump motor capacity reduced from 30HP to 20HP to conserve power
- 80 nos. of LED Tube lights put in place of conventional tubes in Energy area to conserve power
- 375 TR screw chiller installed in place of Steam driven Vapor absorption machine to reduce natural gas consumption
- Energy efficient motor of 75HP installed at chilled water supply pump no. 2
- Coro-coating applied on chilled water supply pump no. 4 for power saving

Energy Conservation measures proposed to be undertaken in 2014:

Goa factory

- Steam traps upgradation
- Reuse of Reverse Osmosis and Electro deionization (RO+EDI) water for cooling tower topup
- Automation of Hot water pump in production-2 for required flow
- Use of LED Lights in new project for saving 30% electricity

Ankleshwar factory

- Steam traps upgradation
- Insulation of flue gas duct of Thermax boiler to reduce radiation loss and in turn conservation of natural gas
- Upgradation of 75HP motor of chilled water circulation pump with energy efficient motor
- Variable frequency drive on Brine supply pump
- Street lights 50W lamps to be replaced by 18W LED lamps for power conservation
- 160W ML lamps to be replaced by LED lamps in Chemistry plants
- Motion detector in process water plant lighting
- Reduction of motor capacity in cooling tower fan motor



REQUISITE DATA IN RESPECT OF ENERGY CONSUMPTION ARE GIVEN BELOW:

POWER & FUEL CONSUMPTION		YEAR ENDED 31.12.2013	YEAR ENDED 31.12.2012	REASONS FOR VARIATION	
1.	ELECTRICITY				
(a)	Purchased				
	Units	Million KWH	17.312	12.588	Change in product mix and expansion project
	Total Amount	Rs. Million	180.424	133.828	
	Rate/Unit	Rs.	10.422	10.631	Change in product mix, expansion project and increase in rates
(b)	Own Generation				
(i)	Through Diesel Generator				
	Units	Million KWH	0.127	0.441	
	Units per litre of Diesel Oil	KWH	0.769	2.670	
	Cost/Unit	Rs.	69.879	20.135	Increase in diesel cost
(ii)	Through Steam Turbine / Generator		NIL	NIL	
2.	COAL		NIL	NIL	
3.	FURNACE OIL / LSHS				
	Quantity	K.Lit	10	23	Decrease in consumption due to use of biomass boiler in place of furnace oil boiler
	Total amount	Rs. Million	0.50	1.089	
	Average rate per K.Lit	Rs.	50,000	47,560	Increase in crude oil cost
4.	NATURAL GAS				
	Quantity	M3	4,324,248	4,732,820	
	Total Amount	Rs. Million	164.118	144.521	
	Average Rate	Rs.	37.953	30.536	Increase in rates
5.	BIOMASS				
	Quantity	Tonnes	1,650	619	Steam generated from biomass boiler in place of furnace oil boiler
	Total amount	Rs. Million	10	3.61	
	Average Rate per Tonne	Rs.	6.213	5.835	

CONSUMPTION PER UNIT OF PRODUCTION

Product	Unit of Production	Standards (If any)	YEAR ENDED 31.12.2013	YEAR ENDED 31.12.2012	REASONS FOR VARIATION
1. ELECTRICITY-KWH					
Bulk Drugs	Tonnes	NONE	9,590	5,980	Consumption depends on product mix
Bulk Drugs Formulations	K.Lits Million Units	NONE NONE	– 1,339	– 1,077	
2. FURNACE OIL / LSHS (K.LIT)					
Bulk Drugs	Tonnes	NONE	–	–	
Bulk Drugs Formulations	K. Lits Million Units	NONE NONE	– 0.004	– 0.013	Consumption depends on product mix
3. NATURAL GAS (IN THOUSAND M3)					
Bulk Drugs	Tonnes	NONE	0.395	0.191	Consumption depends on product mix
Bulk Drugs Formulations	K. Lits Million Units	NONE NONE	– 0.008	– 0.007	

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

Specific areas in which R&D carried out :

No basic research is carried out by the Company.

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

Expenditure on R&D

- Capital Rs. 180 lakhs
- Revenue Rs. 427 lakhs
- Total Rs. 607 lakhs
- Total R&D Expenditure as a percentage of total turnover : 0.36 %

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- Efforts, in brief, towards technology absorption, adaptation and innovation:
The Company interacted with its collaborators who continued to give the latest technology.
- Benefits derived as a result of the above :
It has helped the Company to retain its market share.
- Imported Technology :
Technology imported, year of import and whether technology has been fully absorbed
Based on prescriptions received from the collaborators, 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

- Total Foreign Exchange used Rs. 55,385 lakhs
- Total Foreign Exchange earned Rs. 48,648 lakhs



MANAGEMENT DISCUSSION AND ANALYSIS

PHARMACEUTICAL MARKET

Total Indian Pharmaceutical Market for the year ended 31st December 2013 was estimated at Rs. 786 billion growing at 9.9% over the previous year. This was one of the slowest growths recorded for the past several years and reflects the impact of overall slow down in the economy and new National list of Essential Medicines (NLEM) coming under price control.

Key drivers have been volumes (2.5%) and new introductions (5.9%). Prices contributed only 1.5% to the growth.

Six brands of your Company, **Lantus®**, **Combiflam®**, **Cardace®**, **Clexane®**, **Amaryl®** and **Allegra™** continue to be in the top 100 brands.

(Source : IMS TSA December 2013)

OPPORTUNITIES AND THREATS

Indian pharmaceutical market in 2013 could be viewed as a year of achievements and setbacks. There were several new product launches. The industry had to deal with regulatory actions from the US FDA, global economic slowdown and volatile currency fluctuations.

Growth in the domestic market slowed down considerably from 16.6% in 2012 to 9.9% in 2013. DPCO 2013 had an impact on the topline growth of companies. Challenges with product offtake by stockists (due to uncertainty following decrease in margins) and introduction of free medicine schemes in some states also impacted growth. Delays in approvals for clinical trials, uniform code for sales and marketing and compulsory licensing have also had an impact.

In 2014 the pharma industry will have to look at redesigning product portfolio driven by price control requirements. Companies would have to renew focus on quality manufacturing norms. Efforts to enhance productivity of sales force and improving efficiency of distribution will help to achieve these objectives.

SALES AND PROFITABILITY

During the year ended 31st December 2013, your Company had total net sales of Rs. 170,646 lakhs as against Rs. 149,385 lakhs in the previous year, representing a growth of 14.2%.

Profit before Tax and exceptional items increased from Rs. 26,171 lakhs to Rs. 36,308 lakhs, reflecting a growth of nearly 39%.

Your Company earned a net profit of Rs. 2,538 lakhs from sale of investments.

Net profit after exceptional items increased from Rs. 17,666 lakhs to Rs. 26,518 lakhs, reflecting a growth of 50%.

Exports contributed significantly to the strong profit growth.

DOMESTIC SALES REVIEW

Domestic sales, which constituted nearly 73% of total net sales, increased from Rs. 124,080 lakhs to Rs. 126,878 lakhs in 2013, reflecting a low growth of just over 2%. The business was severely impacted by lowering of inventories by distributors after the introduction of the Drugs (Prices Control) Order, 2013 as well as overall slow down in demand.


By notifications issued in June 2013, the Ministry of Health and Family Welfare suspended manufacture and sale of formulations containing Pioglitazone (**Amaryl®** P tablets, **Amaryl®** MP tablets and **Cetapin®** P tablets) and Analgin (**Baralgin®**M tablets and **Novalgin®** tablets, injections and ampoules). The suspension on formulations containing Pioglitazone was revoked in August 2013, subject to certain conditions to be mentioned by manufacturers on package inserts and promotional literature. Your Company thereafter re-commenced manufacture and sale of the said products after fulfilling the conditions.

The suspension on formulations containing Analgin has been revoked in February 2014 on similar conditions being fulfilled by manufacturers.

MAJOR BRAND PERFORMANCE REVIEW

Cardace® grew by 4%. It continues to be the No. 1 ACE inhibitor prescribed by cardiologists, diabetologists and consulting physicians. Performance was impacted due to shift in newer therapies. The new line extensions of **Cardace®** are growing strongly.

Lantus® grew by 17.5% in value terms. It has increased its market share and continues to be the 2nd leading brand in insulins in terms of value.



Insuman® grew by 10% in value terms.

Apidra® grew by 87% in value terms.

All Star™ which was introduced in 2012 grew significantly in 2013. It has gained acceptance as an easy to use pen for injecting insulin. Over 40,000 pens were sold which helped to increase sales of **Lantus®** cartridges and **Lantus® Solostar®**.

Amaryl® and **Cetapin®** grew by nearly 9% each.

Cetapin® XR continues to be the third largest brand in the Metformin market.

Cetapin® V has already become the third biggest brand in the Metformin + Voglibose category.

Clexane® declined due to impact of DPCO 2013. It, however, continues to rank No. 1 in the injectable anticoagulant market.

Targocid® grew by 11% and continues to be the No. 1 injectable antibiotic against gram positive bacteria.

Allegra® recorded a growth of 18%. It continues to be ranked No. 1 in the total market and solids market.

Allegra® Suspension is ranked No. 1 in the liquid antihistaminic market.

Taxotere® grew by over 14% benefitting many new patients suffering from breast cancer.

Consumer Healthcare OTC division

Three new brands were launched - **Combiflam® Plus** for management of headache, **Novalgin® NU** for mild to moderate pain and **Baralgin® NU** for abdominal colic pain.

Seacod® TV commercials went on the air on mass channels in South India. Subsequently, towards the end of 2013, a national TV Campaign went on the air in Hindi and regional channels.

Seacod® associated with India's largest school level spelling competition in which over 1000 schools across 35 cities participated.

Combiflam® sales were in line with 2012. It continues to be ranked 2nd in the Non-steroidal Anti-inflammatory drugs (NSAID) market. It is ranked No. 1 in units with 12 million tablets sold in a year.

Combiflam® Suspension is ranked No. 2 amongst NSAID oral liquids.

Avil® declined in 2013 but continues to have volume leadership in the antihistaminic market.

Enlarge® Forte was launched in 2013 and achieved 5% market share in the represented category.

(Source : IMA TSA December 2013)

EXPORT SALES

Exports for 2013, which constituted close to 27% of total net sales, were Rs. 43,768 lakhs, representing a handsome growth of 73% over 2012.

It was a landmark year for exports.

The growth was spurred by significant volume growth of 53%. Rupee devaluation contributed a positive exchange variance of 15%.

Germany, Russia, Australia, U.K., CIS and Sri Lanka were the major contributors to exports.

While sales of **Festal®** to Russia dropped due to phasing, this was compensated by increased sales of **Baralgin® M Tablets**, **Lasix®** ampoules and **Trental®** ampoules.

Australia is a significantly growing market with export of 869 million tablets in 2013 as against 430 million tablets in 2012.

There was 15% increase in offtake with export of 538 million tablets to the United Kingdom.

Higher sales of **Amaryl®**, **Cardace®**, **Clexane®** and **Daonil®** contributed to growth in exports to Sri Lanka. Tender business obtained from the State Pharmaceutical Corporation grew with exports of **Clexane®** and **Soframycin® Skin Cream**.

Over 17,000 **All Star™** pens were exported to Bangladesh, South Africa, Singapore and Morocco.

Exports of APIs and intermediates grew by 9%. Articane Hcl and Lasamide were the major contributors to sales.

The Central Government had suspended, in June 2013, manufacture for sale and distribution of formulations containing Analgin. While Kazakhstan banned Analgin formulations from October 2013, your Company could continue exports to other countries after obtaining NOC from the concerned Government authority.



MANUFACTURING OPERATIONS

Industrial excellence projects (LEAN initiatives) were rolled out in a structured manner in Ankleshwar and Goa aimed at reducing cost of goods, simplification of processes and strengthening systems.

Simplified formulae for **Cetapin®** XR tablets and **Avil®25** reduced mass tablets have been implemented in order to reduce cost of production and make the products more competitive.

Power trading was implemented through the Indian Energy Exchange to reduce power costs.

The Ankleshwar site successfully commissioned its own waste water treatment plant.

The site was also successfully certified for Integrated Management System for ISO 14001 and OHSAS 18001.

Manufacturing expansion project in Goa was completed which resulted in taking up additional volumes of Metformin for a German tender thus boosting exports.

MEDICAL AND REGULATORY AFFAIRS

The mission of Medical Affairs is to translate research into practice, by positively influencing treatment paradigms in India, in identified therapy areas, based on disease profiles and current global treatment practices.

Several initiatives were undertaken successfully enhancing the scientific image and credibility of the organization. Results of key studies were presented at prestigious national and international forums; International speaker tours were conducted to accelerate sharing of best practices and recent therapeutic advances; National and regional advisory board meetings were organized to gain insights on current practices; and several continuing medical education (CME) programs were propagated for the appropriate usage of your Company's products, besides numerous other related workshops / summits / round table meetings pan-India.

Some landmark projects of your Company were :

- The 'Healthy children, happy children' initiative --- India's largest student-led campaign that brings together leading Indian paediatricians, with NGOs and artists in the field of creative learning, to mentor 200,000 school children from 200 schools in 4 cities-Chennai, Delhi, Hyderabad and Mumbai, on critical aspects of children's health.
- Post-Graduate Educational Conclave --- a forum to facilitate interactions between senior consultants and post-graduate medical students on topics varying from diabetes pathophysiology to management.
- Collaboration with Confederation of Indian Industries (CII) and Brihanmumbai Municipal Corporation for increasing awareness on health by conducting large screening camps.
- KIDs (Kids & Diabetes in school) project: an initiative of the International Diabetes Federation. This project aims to foster a school environment that creates a better understanding of diabetes and supports children with this condition.

Regulations in Clinical Research have rapidly evolved overtime, with a concurrent increase in demand for highly trained and efficient clinical research professionals. To combat the challenges of this highly regulated industry, your Company routinely conducts training workshops called Clinical Excellence Programs (CEPs) for different stakeholders in clinical research, including investigators/physicians, their hospital staff members, and ethics committee members. As a part of your Company's knowledge-sharing mission, 19 training programs were conducted, for over 650 medical professionals at renowned hospitals across India. These programs included training sessions emphasizing ethical practice in clinical research, for physicians, with viewpoints from key opinion leaders and other stakeholders involved in clinical trials.

PERSONNEL

Your Company had 3291 employees as on 31st December 2013.

Industrial relations continued to be cordial.

A Settlement was signed in September 2013 with the Union representing the workmen in the Ankleshwar factory which is valid from 1st July 2012 to 31st December 2015.

Settlement with the Union representing the workmen in the Goa factory on their Charter of Demands for the period from 1st January 2011 to 31st March 2014 is pending with the Industrial Tribunal.

A fresh Charter of Demands has been submitted by the Union representing the Medical Representatives as the earlier Settlement expired in March 2013. Negotiations are in progress.

As required by The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (which came into force on 9th December 2013), your Company has constituted an Internal Complaints Committee.



INTERNAL AUDIT AND CONTROL

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

DRUG POLICY

Government notified, on 15th May 2013, the Drugs (Prices Control) Order, 2013 (DPCO 2013) in supersession of the Drugs (Prices Control) Order, 1995 (DPCO 1995).

Schedule 1 of DPCO 2013 contains a list of about 650 formulations of Essential Medicines whose ceiling prices will be notified by the Government based on the simple average price of all brands having a market share of 1% or more of the total market turnover of those medicines.

DPCO 2013 provides that all existing manufacturers of scheduled formulations selling the product at a price higher than the notified price shall revise the prices of such formulations downward but not exceeding the ceiling price plus applicable local taxes. It further provides that all existing manufacturers of scheduled formulations selling the product at a price lower than the ceiling price plus applicable local taxes shall maintain their existing maximum retail price.

In conformity with DPCO 2013, your Company reduced the prices of those scheduled formulations which were notified by the National Pharmaceutical Pricing Authority within 45 days of its notification.

DPCO 2013 also permits increase in prices of scheduled formulations to the extent of the increase in wholesale price index and prices of non-scheduled formulations to the extent of 10%.

Your Company is fully committed to implement DPCO 2013 in letter and spirit and to make available to the patients the best quality of medicines at affordable prices.

CORPORATE SOCIAL RESPONSIBILITY

As a leading healthcare company, your Company's mission is **to protect the health, improve the quality of life and meet the hopes and potential needs** of people.

Your Company's commitment to CSR is based on four priorities... Patient, People, Ethics and Planet.

Saath 7 - one of India's longest Patient support programs in diabetes management, running for over 9 years.

The aim of Saath 7 is to understand patients, as individuals, and then communicate relevant information to them and their caregivers using the medium they prefer.

It has more than 4500 physicians who have enrolled for the service. Saath 7 has offered counseling services to over 90,000 patients since its launch.

Voluntary Health Association of Goa

Close to your Company's plant in Goa, health camps are regularly conducted in schools with the help of a team of your Company's medical professionals to check immunisation status, nutritional deficiencies, personal hygiene & other chronic diseases. Those needing urgent attention are counseled along with their parents and class teachers while students are sent for further treatment to Government Hospitals and follow up.

SEWA Rural

Close to your Company's manufacturing plant in Ankleshwar, your Company has associated with SEWA Rural hospital for blood sugar level testing of the local community. 6,000 patients benefitted since the launch in 2012.

Responding to humanitarian emergencies

Your Company responded to humanitarian emergencies in Uttarakhand and Odisha. Medicines donated by your Company were used in the medical camps that were conducted across Rudraprayag district.

Medicines and customized care kits were made available to an estimated 19,500 beneficiaries in more than 40 villages in the district.



Employee volunteering:

Gyan Express

'Gyan Express' is an initiative to mentor underprivileged children in Mumbai schools. Your Company's employees gave the gift of time and effort to these children to uplift their morale, build aspirations, and add grace to their growth. Set out with creative teaching aids, these children were educated on topics of health, science, history and sports.

50 children from 4 NGOs participated in a grand quiz conducted in the Head Office.

Contributing to the steady progress of the Millenium Development Goal

Reduction of maternal and child mortality in India is one of the Millennium Development Goals (*a collaborative approach of The United Nations, Ministry of Health, and Health Professional groups like Indian Medical Association and Pharmaceutical Industry*). Your Company's employees regularly volunteer to contribute towards this goal.

Your Company's employees along with OPPI (Organization of Pharmaceutical Producers of India) reached out to more than 1000 mothers.

Ethics

Your Company is committed to acting ethically and responsibly across all aspects of its activities, an approach that guides interactions with our key partners and stakeholders including employees, patients, customers and suppliers.

Respect for ethics in clinical trials:

Your Company is committed to conducting exemplary clinical trials by applying the most stringent quality standards and making efforts to protect trial subjects who may be vulnerable for any reason.

Your Company ensures that all its employees are trained in Code of Ethics and Compliance.

Planet

As a healthcare leader, your Company believes that reducing its carbon footprint and using energy responsibly are part of its mission to help protect life on this planet. To safeguard the health of communities everywhere, your Company continually seeks to limit the environmental impact of its activities for the entire life cycle of its products, from development through marketing.

Green futures: using renewable energies

Your Company signed an agreement with India's largest wind turbine manufacturer, Suzlon Energy Limited for a 2.1 MW (megawatt) offsite windmill installation to generate renewable power, for captive consumption at its Ankleshwar manufacturing site. Your Company is one of few healthcare companies in the country exploring the use of renewable energy sources for its manufacturing operations.

PROSPECTS FOR 2014

India's economic prospects are expected to rebound in 2014 with a higher GDP and stable inflation. It is expected that the Indian Rupee would remain exposed to depreciation vs US Dollar and EURO, in a moderate magnitude in comparison with year 2013. The forthcoming elections are expected to strengthen India's economic prospects and policy in favour of currency stability and investments.

The Indian pharmaceutical market (IPM) is expected to grow by a strong double digit especially in chronic diseases segments such as Diabetes.

The new DPCO introduced in 2013 will continue to erode IPM growth value in the first half of 2014.

Your Company will continue to develop flagship brands in the fields of Diabetes (**Lantus®** and **Amaryl®**), Consumer Healthcare (**Allegra™** and **Combiflam®**) and neutraceuticals and further expand its paediatric portfolio.

Exports will be sustained yet partly driven by tenders and hence there could be variability.

Resources are stable, growing at pace with the portfolio. In the latter part of 2014, your Company will inaugurate a new Head Office.

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 the Directors / Management envisage in terms of future performance and outlook.

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance is given below:

A. MANDATORY REQUIREMENTS

1. Company's philosophy on Code of Governance

The Company believes in and practices good corporate governance. The Company's philosophy is aimed at assisting the top management of the Company in the efficient conduct of the business and in meeting its obligations to all its stakeholders.

2. Board of Directors

(As on 31st December 2013)

The Board of Directors comprises of a Non-Executive Chairman, a Managing Director, a Wholetime Director and six other Non-Executive Directors.

Two employees of the Company are Alternates for Directors based abroad and are, therefore, deemed to be Executive Directors.

During the year ended 31st December 2013, four Board Meetings were held on 25th February 2013, 30th April 2013, 30th July 2013 and 30th October 2013.

Attendance of each Director at the Board Meetings in 2013 and the last Annual General Meeting and the number of Companies and Committees where he / she is Director/Member (as on 31st December 2013) :

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM held on 30th April 2013	No. of other companies in which Director (including Private Limited companies)	No. of Committees (other than Sanofi India Limited) in which Member
Dr. Vijay Mallya	Non - Executive Chairman	4	Yes	12 (In India) 31 (Outside India)	Nil
Dr. Shailesh Ayyangar	Managing Director	4	Yes	2 (In India) 1 (Outside India)	1
Mr. F. Briens	NED**	-	No	1 (In India) 6 (Outside India)	1
Ms. Virginie Simone Jeanine Verrechia (Ms. Virginie Boucinha)	ED	3	Yes	1 (In India) 2 (Outside India)	Nil
Mr. J. M. Georges	NED**	-	No	2 (Outside India)	Nil
Mr. S. R. Gupte	Independent NED	4	Yes	6 (In India)	1
Mr. A.K.R. Nedungadi	Independent NED	4	Yes	4 (In India) 5 (Outside India)	4
Mr. A. Ortoli	NED**	-	No	1 (In India) 6 (Outside India)	1
Mr. Rangaswamy R. Iyer*	Independent NED	-	-	2 (In India)	1
Mr. M. G. Rao	ED (Alternate to Mr. J. M. Georges)	4	Yes	-	-
Ms. Joanna Potts*	ED (Alternate to Mr. A. Ortoli)	2	-	-	-
Mr. S. Umesh*	ED (Alternate to Mr. A. Ortoli)	-	-	-	-
Mr. J. M. Gandhi*	Independent NED	2	Yes	-	-



ED - Executive Director
 NED - Non Executive Director

*For part of the year

**Employees of Sanofi Group companies

***Mr. Nedungadi is Member of some Committees in other companies which are not specified in Clause 49 of the Listing Agreement or are to be excluded (such as Remuneration Committee, Share Transfer Committee, Committees of Private Limited companies, etc.). Mr. Nedungadi is Chairman of one Committee of another company.

3. Audit Committee

Terms of Reference and Composition, Names of Members and Chairman:

The Audit Committee comprises of Mr. S. R. Gupte, Chairman, Mr. A. K. R. Nedungadi, Mr. Rangaswamy R. Iyer (from 30th October 2013) and Dr. S. Ayyangar. (Mr. J. M. Gandhi was a Member of the Audit Committee till he resigned as a Director with effect from 1st July 2013.)

Mr. Gupte, Mr. Nedungadi and Mr. Iyer are Independent Directors.

The terms of reference of this Committee are wide enough covering the matters specified for Audit Committees under the Listing Agreement.

Five Meetings were held during the year ended 31st December 2013. Mr. Gupte and Mr. Nedungadi attended all the meetings. Dr. Ayyangar attended four of the five meetings. Mr. Gandhi attended the two meetings held before he resigned as a Director. Mr. R. Iyer attended the meeting held after his appointment as a Director.

4. Remuneration Committee

The Company has not formed a Remuneration Committee.

Remuneration of Directors

The details of remuneration paid to the Directors during the financial year January - December 2013 are given below:

a) Executive Directors

Names of Directors	Salary and Allowances ** Rs.	Perquisites*** Rs.	Retirement Benefits**** Rs.
Dr. S. Ayyangar	8,626,776	2,128,656	736,200
Ms. Virginie Simone Jeanine Verrechia	6,080,160	11,303,019	180,000
Ms. J. Potts*	1,312,210	2,882,542	80,902
Mr. M. G. Rao	9,808,688	775,042	491,400
Mr. S. Umesh*	701,958	192,436	31,558

*For part of the year

** Includes Performance Bonus

***Evaluated as per Income-tax Rules wherever applicable

****The above excludes provision for leave encashment, gratuity, long service award, pension and provident fund (to extent actuarially valued) which are determined on the basis of actuarial valuation done on an overall basis for the Company.

NOTES

- The agreement with each of the Executive 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.
- Presently, the Company does not have a scheme for grant of stock options either to the Executive Directors or employees. However, Executive Directors and some Senior Executives of the Company are granted stock options of the ultimate holding Company, Sanofi SA.
- The Executive Directors are entitled to Performance Bonus 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.

b) Non-Executive Directors

Non-Executive Directors 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.

Names of Directors	Sitting Fees paid during the year ended 31st December 2013 Rs.	Commission paid during the year ended 31st December 2013 (for the previous financial year ended 31st December 2012) Rs.
Dr. Vijay Mallya*	80,000	700,000
Mr. S. R. Gupte	200,000	400,000
Mr. A. K. R. Nedungadi	200,000	400,000
Mr. J. M. Gandhi	100,000	400,000
Mr. Rangaswamy R. Iyer	20,000	-

*Dr. Vijay Mallya holds 80 Shares of the Company (jointly with Mrs. Ritu Mallya). The other Non-Executive Directors do not hold any Shares.

5. Investors'/Shareholders' Grievance Committee

The Members of the Committee are Mr. S. R. Gupte, Chairman, Mr. A.K.R. Nedungadi and Mr. Rangaswamy R. Iyer (from 30th October 2013). Mr. J. M. Gandhi was a Member of the Committee till he resigned as a Director from 1st July 2013.

One Meeting of the Committee was held during the year ended 31st December 2013 which was attended by all the three Members of the Committee.

Mr. K. Subramani, Company Secretary is the Compliance Officer of the Company.

The Company's Registrars, Link Intime India Private Limited had received 450 letters / requests during the year, dealing with various subjects such as revalidation/non-receipt of dividend warrants, change of address, registration of nominations, non-receipt of share certificates, etc. All these matters were resolved to the satisfaction of the shareholders/investors.

The Company had no transfers pending at the close of the financial year.

The power to approve transfers upto 1000 Shares purchased by one individual has been delegated to the Company Secretary.

6. General Body Meetings

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
January - December 2010	26.4.2011	12 Noon	Y. B. Chavan Centre - Auditorium, Mumbai
January - December 2011	3.5.2012	3.15 p.m.	Y. B. Chavan Centre - Auditorium, Mumbai
January - December 2012	30.4.2013	2.45 p.m.	Y. B. Chavan Centre - Auditorium, Mumbai

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


No special resolutions were required to be put through postal ballot last year.

At this meeting, there are no Special Resolutions for which Clause 49 of the Listing Agreement or Section 192A of the Companies Act has recommended/mandated postal ballot.

7. 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.

Statements of transactions with related parties have been placed periodically before the Audit Committee. Transactions with related parties have also been disclosed in Note no.30 of the Financial Statements.

- 
- 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) The Company has also complied with and adopted the mandatory requirements of the amended Clause 49 of the Listing Agreement.
 - d) In line with the requirements of the amended Clause 49 of the Listing Agreement, 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.
 - e) As required by Clause 49(V) of the Listing Agreement, 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 2013. The Certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors.

8. Means of Communication

Half yearly report sent to each household of shareholders :

No, as the Results of the Company are published in the Newspapers.

Quarterly Results :

No, as the Results of the Company are published in the Newspapers.

Any Website where displayed:

www.sanofiindialtd.com

Whether it also displays official News releases :

Yes

Newspapers in which Results are normally published in :

- i) Economic Times
- ii) Maharashtra Times

Whether Management Discussion and Analysis is a part of the Annual Report:

Yes

9. General Shareholder Information

AGM Date, Time and Venue: Tuesday, 29th April 2014 at 2.30 p.m. at Y. B. Chavan Centre - Auditorium, Gen. J. Bhosale Marg, Nariman Point, Mumbai 400 021

Financial Calendar - 2014 /2015

Financial Year	-	January to December
First Quarter Results	-	Between 16th April and 15th May 2014
Half Yearly Results	-	Between 16th July and 14th August 2014
Third Quarter Results	-	Between 16th October and 14th November 2014
Audited Results for the year ending 31st December 2014	-	February 2015

Dates of Book Closure :

18th April 2014 to 29th April 2014 (both days inclusive)

Dividend payment date :

On 5th May 2014, if declared at Annual General Meeting on 29th April 2014

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 2013-2014 and is in the process of paying the fees for 2014-2015.

The Bombay Stock Exchange Limited
The National Stock Exchange of India

Stock Code:

500674 on the Bombay Stock Exchange Limited

Demat ISIN Number for NSDL & CDSL:

INE 058A01010

Market Price Data:

High/Low during year/month in the last financial year

Share Price on the Bombay Stock Exchange Limited (Face Value Rs. 10)

Months	Open Rs.	High Rs.	Low Rs.	Close Rs.
January 2013	2300.00	2450.00	2207.00	2411.60
February 2013	2300.10	2450.00	2180.00	2340.95
March 2013	2225.00	2640.00	2225.00	2581.85
April 2013	2544.50	2899.00	2450.00	2554.85
May 2013	2599.25	2698.00	2376.25	2518.00
June 2013	2599.85	2725.00	2402.50	2420.55
July 2013	2499.00	2574.80	2316.15	2375.00
August 2013	2375.00	2779.50	2300.00	2377.30
September 2013	2404.90	2635.00	2280.00	2625.10
October 2013	2645.00	2645.00	2312.05	2506.60
November 2013	2489.95	2838.00	2460.00	2803.90
December 2013	2862.20	2940.00	2659.95	2762.50

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

January - December 2013

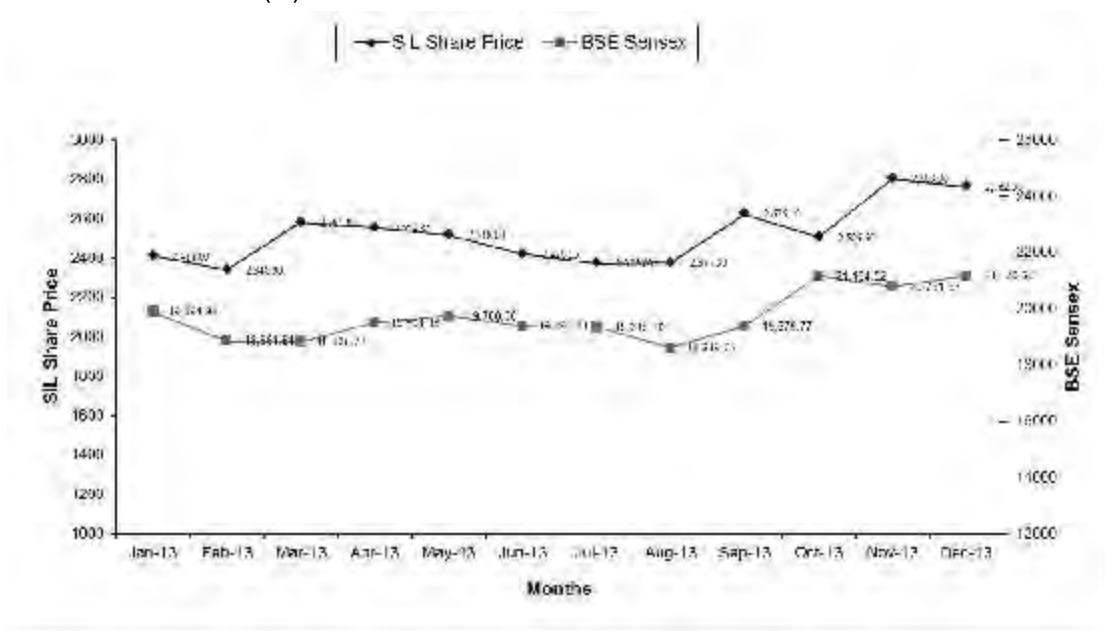
(in percentage %)

Sanofi India Limited (+) 20.60%

BSE Sensex (+) 8.98%

BSE 200 (+) 4.38%

BSE 100 (+) 5.87%



Registrars & Transfer Agents:

Link Intime India Pvt. Ltd. (formerly called Intime Spectrum Registry Limited), C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup West, Mumbai 400 078

Persons to contact:

Mr. Manohar Shirwadkar/Mr. Ralph Gonsalves / Ms. Rinku Kothari
Telephone No. : (022) 25946970 Fax No. : (022) 25946969
E.Mail : rnt.helpdesk@linkintime.co.in

Share Transfer System:

The power of approving transfers upto 1000 Shares purchased by any individual has been delegated to the Company Secretary. Transfers are approved every week.

Distribution of Shareholding as on 31.12.2013 :

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 to 100	12254	91.61	712989	3.10
101 to 200	602	4.50	108014	0.47
201 to 300	172	1.29	46749	0.20
301 to 400	77	0.58	28829	0.12
401 to 500	64	0.48	30893	0.13
501 to 1000	90	0.67	68659	0.30
1001 to 2000	36	0.27	52927	0.23
2001 to 3000	11	0.08	30188	0.13
3001 to 4000	3	0.02	9849	0.04
4001 to 5000	8	0.06	35692	0.16
5001 to 10000	10	0.07	71534	0.31
10001 and above	49	0.37	21834299	94.81
TOTAL	13376	100	23030622	100

Shareholding Pattern as on 31.12.2013

	Percentage %
a) Foreign Promoters (Hoechst GmbH/ Sanofi)	60.40
b) Mutual Funds/ UTI	10.11
c) Foreign Institutional Investors	14.91
d) Financial Institutions / Banks	0.08
e) Insurance Companies	2.32
f) Bodies Corporate	6.23
g) Overseas Corporate Bodies / Trusts / Clearing Members	0.07
h) Hindu Undivided Family	0.03
i) Individuals holding upto Rs. 1 lakh in nominal capital	4.56
j) Individuals holding more than Rs. 1 lakh in nominal capital	0.43
k) Non-Resident Indians (with repatriation benefits)	0.02
l) Non-Resident Indians (without repatriation benefits)	0.84
Total	<u>100.00</u>

Dematerialisation of Shares and liquidity:

As on 31.12.2013, 98.92% of the paid-up Share Capital had been dematerialised.



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

Not Issued

Plant locations:

Ankleshwar (Gujarat) and Verna (Goa)

Address for correspondence:

Shareholder correspondence should be addressed to the Company's Registrars, Link Intime India Pvt. Ltd. at C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup West, Mumbai 400 078.

Investors may also write to or contact the Company Secretary, Mr. K. Subramani at the Registered Office for any assistance that they may need. Telephone No. (022) 28278530 Fax No. (022) 28360862

E.Mail - K.Subramani@sanofi.com; igrc.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.

(B) Non-Mandatory Requirements

a) Chairman of the Board :

Whether Chairman of the Board is entitled to maintain a Chairman's Office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties:

Yes

b) Remuneration Committee :

The Company has not set up a Remuneration Committee.

c) Shareholder Rights:

Half yearly declaration of financial performance including summary of the significant events in last six months to be sent to each household of Shareholders:

The Company's half yearly Results are published in English and Marathi newspapers having wide circulation and are also displayed on the Company's website. Hence, same are not sent to the Shareholders.

Second half yearly Results are not taken on record by the Board as audited Results are approved by the Board. The audited Results for the financial year are communicated to the Shareholders through the Annual Report.

d) Audit Qualifications:

The Auditors have issued an unqualified opinion for the year ended 31st December 2013.

e) Training of Board Members:

All the Directors have expertise in their areas of specialisation.

f) Mechanism for evaluating Non Executive Directors:

The Board of Directors may consider adopting this requirement in future.

g) Whistle Blower Policy:

The Board of Directors may consider adopting this requirement in future.

COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

In accordance with Clause 49 of the Listing Agreements with the Stock Exchanges, 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 2013.

For SANOFI INDIA LIMITED

DR. SHAILESH AYYANGAR
MANAGING DIRECTOR

Mumbai, 25th February 2014



AUDITORS' CERTIFICATE

To
The Members of Sanofi India Limited

We have examined the compliance of conditions of corporate governance by Sanofi India Limited, for the year ended on 31st December 2013, as stipulated in clause 49 of 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 above mentioned Listing Agreement.

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. BATLIBOI & CO. LLP
ICAI Firm registration number: 301003E
Chartered Accountants

per Vijay Maniar
Partner
Membership No.: 36738

Place : Mumbai
Date: 25 February 2014



Independent Auditors' 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, 2013, and 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

Management is responsible for 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 notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



2. As required by section 227(3) of the Act, we report that:
- (a) We have 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 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors as on December 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E

per Vijay Maniar
Partner
Membership Number: 36738

Mumbai
Date: 25 February 2014



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

Re: Sanofi India Limited ('the Company')


- (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) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company had granted loan to a company covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 20,500 lacs and year-end balance of loan granted to such party was Rs. 19,500 lacs.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (c) In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest has been regular.
- (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Act.
- (e) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clauses 4 (iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us and having regard to the explanation that certain items of inventory purchased from strategic vendors or are of special nature for which suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us and having regard to the explanation that sale of goods are of proprietary nature and sale and purchase of services for which alternative sources are not available to obtain comparable quotations, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.



- (viii) 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 209(1) (d) of the Act related to the manufacture of formulations and bulk drugs, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in a few cases*.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material 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 information and explanations given to us, there are no dues of wealth-tax, income-tax, customs duty, service tax and cess which have not been deposited on account of any dispute. According to the records of the Company, the dues outstanding of excise duty and sales tax on account of any dispute are as follows:

Name of the statute	Nature of dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Duty on Samples	5	1994 to 1999	Customs Excise and Service tax Appellate tribunal.
	Disallowance of Modvat	17	1993	Commissioner of Appeals, Surat.
Medicinal & Toilet Preparations (Levy of Excise Duty) Act, 1955	Dispute Whether Central or State Excise duty	232	1990 to 1997	Central Board of Excise and Customs
	Dispute Whether Central or State Excise duty	132	1996 to 1999	Commissioner of State Excise Maharashtra.
Sales Tax Act	Submission of 'F' form	56	2008-09	Joint Commissioner of Sales tax, Uttar Pradesh
Service Tax	Service Tax on sponsorship	1	2011-12	Commissioner of Customs, Central Excise and Services Tax

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company does not have any borrowings from financial institutions or by way of debentures.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.

- 
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S. R. BATLIBOI & CO. LLP

ICAI Firm registration number: 301003E

Chartered Accountants

per Vijay Maniar

Partner

Membership No.:36738

Place: Mumbai

Date: 25 February 2014

Balance Sheet

as at December 31, 2013

	Notes	December 31, 2013 Rupees in Lacs	December 31, 2012 Rupees in Lacs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	2,303	2,303
Reserves and surplus	3	132,367	118,109
Sub-total shareholders' funds		134,670	120,412
Non-current liabilities			
Other long term liabilities	4	74	–
Long term provisions	5	2,528	1,928
Deferred Tax Liabilities (Net)	6	3,669	2,128
Sub-total non-current liabilities		6,271	4,056
Current liabilities			
Trade Payables	7	18,710	15,145
Other current liabilities	7	8,993	8,671
Short-term provisions	8	15,835	14,847
Sub-total current liabilities		43,538	38,663
TOTAL EQUITY AND LIABILITIES		184,479	163,131
ASSETS			
Non-current assets			
Fixed Assets	9		
Tangible assets		25,400	19,425
Intangible assets		44,455	50,511
Capital Work in Progress			
Tangible assets		13,456	4,063
Intangible assets under development		164	284
Non current investments	10	24	36
Long term loans and advances	11	6,159	5,818
Other non-current assets	12	107	129
Sub-total non-current assets		89,765	80,266
Current assets			
Inventories	13	34,000	27,245
Trade receivables	14	11,831	9,890
Cash and Bank Balances	15	26,440	43,020
Short term loans and advances	16	21,912	2,300
Other current assets	17	531	410
Sub-total current assets		94,714	82,865
TOTAL ASSETS		184,479	163,131
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. Batliboi & Co. LLP**
ICAI Firm Registration No : 301003E
Chartered Accountants
per **Vijay Maniar**
Partner
Membership No. 36738

Mumbai : February 25, 2014

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

Dr. Vijay Mallya	Chairman
Dr. S. Ayyangar	Managing Director
Virginie Boucinha	Director
S. R. Gupte	Director
Rangaswamy R. Iyer	Director
A. K. R. Nedungadi	Director
M. G. Rao	Director
K. Subramani	Company Secretary

Mumbai : February 25, 2014

Statement of Profit and Loss

for the year ended December 31, 2013

	Notes	December 31, 2013 Rupees in Lacs	December 31, 2012 Rupees in Lacs
Income			
Revenue from Operations (gross)	18	185,485	161,282
Less :Excise Duty		4,599	3,978
Revenue from Operations (net)		180,886	157,304
Other income	19	5,786	4,117
Total Revenue		186,672	161,421
Expenses			
Cost of material consumed	20	63,813	55,911
Purchases of traded goods	21	19,077	18,531
Changes in inventories of finished goods, work-in-progress and traded goods	22	(947)	(893)
Employee benefits expenses	23	24,213	21,378
Other expenses	24	34,940	31,196
Depreciation and Amortisation Expense	9	9,310	9,071
Less: recoupment from revaluation reserve		(84)	(84)
Net Depreciation and Amortisation Expense		9,226	8,987
Finance Costs		42	140
Total Expenses		150,364	135,250
Profit before Tax and Exceptional Item		36,308	26,171
Tax Expense			
- Current tax		10,787	7,223
- Deferred tax		1,541	1,282
Total Tax Expenses		12,328	8,505
Profit after Tax and before Exceptional Item		23,980	17,666
Exceptional Item ((net of tax Rs. Nil) ref note 43)		2,538	-
Profit after Tax and Exceptional Item		26,518	17,666
Earnings per equity share			
Basic and Diluted Earning Per Share in Rs. (Nominal Value of equity share of Rs 10 Each (2012 : Rs. 10))	32		
- Computed on the basis of earnings before exceptional items		104.12	76.71
- Computed on the basis of earnings after exceptional items		115.14	76.71
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. Batliboi & Co. LLP**
ICAI Firm Registration No : 301003E
Chartered Accountants
per **Vijay Maniar**
Partner
Membership No. 36738

Mumbai : February 25, 2014

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

Dr. Vijay Mallya Chairman
Dr. S. Ayyangar Managing Director
Virginie Boucinha Director
S. R. Gupte Director
Rangaswamy R. Iyer Director
A. K. R. Nedungadi Director
M. G. Rao Director
K. Subramani Company Secretary

Mumbai : February 25, 2014

Cash Flow Statement

for the year ended December 31, 2013

Particulars	December 31, 2013 Rupees in Lacs	December 31, 2012 Rupees in Lacs
Cash flow From operating activities before exceptional items		
Net Profit before tax and Exceptional item	36,308	26,171
Adjustment for:		
Depreciation and amortization	9,226	8,987
Unrealised exchange gain (net)	(51)	(10)
Loss on sale of fixed assets (net)	24	7
Finance costs	42	140
Interest income	(3,289)	(2,845)
Provision no longer required written back	(627)	(3)
Provision for doubtful debts and advances	22	(3)
Dividends	(2)	(4)
Operating profit before working capital changes	41,653	32,440
Movements in working capital		
(Increase)/Decrease in Trade Receivables	(1,856)	710
Decrease in Loans and Advances and other current/ non- current assets	2,917	1,058
(Increase) in inventories	(6,755)	(1,586)
Increase in trade payables, current/ non-current liabilities and provisions	3,025	1,530
Cash generated from operations	38,984	34,152
Direct taxes paid	(11,729)	(5,174)
Net cash flow from operating activities (A)	27,255	28,978
Cash flow from Investment activities		
Proceeds from sale of fixed assets	23	35
Dividend received	2	4
Interest received	3,305	2,820
Repayment of loan	11,000	7,900
Loan given	(32,800)	(4,500)
Investment in Margin money deposit (net)	(173)	(201)
Purchase of Fixed Assets	(17,442)	(6,601)
Proceeds from Sale of Investments (Refer Note 43)	2,550	-
Net cash used in investing activities (B)	(33,535)	(543)
Cash flow from financing activities		
Interim and final dividend paid (including tax thereon)	(10,457)	(8,833)
Finance Cost	(42)	(140)
Net cash used in financing activities (C)	(10,499)	(8,973)
Net (decrease) / increase in cash & cash equivalents (A+B+C)	(16,779)	19,462



	December 31, 2013 Rupees in Lacs	December 31, 2012 Rupees in Lacs
Effect of Exchange differences on cash & cash equivalents held in foreign currency	4	*
Cash and Cash Equivalents at the beginning of the year	42,885	23,423
Cash and Cash Equivalents at the end of the year	26,110	42,885
Components of Cash and Cash Equivalents		
Cash and Bank Balances (as per Note 15) - (Refer note 3 below)	26,110	42,885

* denotes figure less than a lac.

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 statements issued by the Institute of Chartered Accountants of India.
- (3) Cash and Bank Balance as per note 15 includes Rs. 129 lacs (2012 : Rs. 99 lacs) 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. Batliboi & Co. LLP

ICAI Firm Registration No : 301003E
Chartered Accountants

per **Vijay Maniar**

Partner
Membership No. 36738

Mumbai : February 25, 2014

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

Dr. Vijay Mallya	Chairman
Dr. S. Ayyangar	Managing Director
Virginie Boucinha	Director
S. R. Gupte	Director
Rangaswamy R. Iyer	Director
A. K. R. Nedungadi	Director
M. G. Rao	Director
K. Subramani	Company Secretary

Mumbai : February 25, 2014



Notes forming part of the Financial Statements

for the year ended December 31, 2013

Basis of preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified and the relevant provisions of the Companies Act, 1956, read with General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. 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 these estimates.

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

Depreciation is provided on all fixed assets, considering the useful life estimated by the management at rates not lower than those prescribed in Schedule XIV of the Companies Act 1956, on straight line method (SLM) at the following rates per annum on the cost / enhanced cost.

Description of Assets	Rate (SLM)
<u>Intangible Assets</u>	Amortised over:
Brand	10 years
Software	3 years
Marketing and technical rights for formulations	10 years
Technical know how	5 years
Goodwill	10 years
<u>Tangible Assets</u>	
Leasehold land	Amortised over lease period
Buildings	3.34 %
Leasehold Improvements	Amortised over lease period
Plant and Machinery	10.34 % / 9.5%
Furniture and Fixtures	10.34 %
Office equipments	9.50 %
Computer	25.00 %
Motor vehicles	16.21 %
Laptops and mobile phones	33.33%

The incremental depreciation on revalued amount is transferred to statement of profit and loss from revaluation reserve. Fixed assets costing Rs. 5,000 or less are fully depreciated in a year from acquisition.



Research and development cost

Research costs are expensed as incurred.

Development expenditure incurred on an individual project is capitalized when the recognition criteria are met. Development expenditure capitalised is amortised over the period of expected future sales from the related project, not exceeding future sales.

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 realisable 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.

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. Sales are stated exclusive of sales tax and net of trade discount. 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 as incurred.

(b) Defined Benefit Plans

The Company has for all employees other than Ankleshwar 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/or 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 of current and deferred tax. Provision for Income tax is made on the basis of the estimated taxable income as per the provisions of Income Tax Act, 1961 and the relevant Finance Act, after taking into consideration judicial pronouncements and opinions of the Company's tax advisors. Tax payments are set off against provisions.

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.

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. Provision 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, 2013

	December 31, 2013 Rupees in Lacs	December 31, 2012 Rupees in Lacs
2. SHARE CAPITAL		
Authorised		
23,500,000 (2012: 23,500,000) Equity Shares of Rs 10 each	2,350	2,350
	<u>2,350</u>	<u>2,350</u>
Issued, Subscribed and Paid-up		
23,030,622 (2012 : 23,030,622) Equity Shares of Rs. 10 each fully Paid-up	2,303	2,303
	<u>2,303</u>	<u>2,303</u>

- a) **Shares held by holding and ultimate holding company**
13,904,722 (2012 : 13,904,722) equity shares are held by Hoechst GmbH, Germany, holding company and 4,865 (2012 : 4,865) Equity shares 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, 2013		December 31, 2012	
	Numbers	Amount in Lacs	Numbers	Amount in Lacs
At the beginning of the year and outstanding at the end of the year	23,030,622	2,303	23,030,622	2,303

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 2013, the amount of per share dividend (including interim dividend of Rs. 10 (December 2012: Rs. 4)) recognized as distributions to equity shareholders was Rs. 45 (December 2012: Rs. 33).

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, 2013		December 31, 2012	
	No of Shares	% of Holding	No of Shares	% of Holding
Hoechst GmbH, Germany	13,904,722	60.38	13,904,722	60.38
Reliance Capital Trustee Company Limited	1,522,482	6.61	1,780,804	7.73
Aberdeen Global Indian Equity Fund (Mauritius) Ltd	1,338,883	5.81	1,338,883	5.81

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, 2013

	December 31, 2013 Rupees in Lacs	December 31, 2012 Rupees in Lacs
3. RESERVES AND SURPLUS		
Capital Reserve	349	349
Securities premium account	204	204
Revaluation Reserves		
Balance as per last balance sheet	1,111	1,195
Less: Transferred to statement of profit and loss as reduction from depreciation	84	84
	1,027	1,111
General reserve		
Balance as per last balance sheet	25,113	23,346
Add: Transferred from surplus balance in the statement of profit and loss	2,652	1,767
Closing Balance	27,765	25,113
Surplus in the statement of profit and loss		
Opening balance	91,332	84,265
Profit for the year	26,518	17,666
Less: Appropriations		
Interim dividend on equity shares	2,303	921
Proposed final dividend on equity shares	8,061	6,679
Tax on dividend	1,812	1,232
Transferred to general reserves	2,652	1,767
Net surplus in the statement of profit and loss	103,022	91,332
	132,367	118,109
4. OTHER LONG TERM LIABILITIES		
Security Deposit	74	-
	74	-
5. LONG TERM PROVISIONS		
Provision for Employee Benefits (ref note No 31)		
Employees' retirement and other long term benefits	154	107
Employees' retirement benefits - Pension	74	122
Employees' retirement benefits - Provident fund	-	195
Other Provision		
Provision for Sales Returns (ref note No 34)	2,300	1,504
	2,528	1,928

Notes forming part of the Financial Statements

for the year ended December 31, 2013

	December 31, 2013 Rupees in Lacs	December 31, 2012 Rupees in Lacs
6. DEFERRED TAX LIABILITIES		
Difference in depreciation and other differences in block of fixed assets as per tax books and financial books	6,516	4,747
Gross deferred tax liabilities	6,516	4,747
Employee retirement and other long term benefits	625	596
Effect of expenditure debited to Profit & Loss Account in current year but allowed for tax purposes in following years	2,110	1,923
Provision for doubtful debts and advances	112	100
Gross deferred tax assets	2,847	2,619
Net Deferred Tax Liability	3,669	2,128
7. TRADE PAYABLES AND OTHER CURRENT LIABILITIES		
Trade Payables (ref note No 36)	18,710	15,145
Other current liabilities		
Liability for capital goods	1,369	1,590
Employee related and other current liabilities	5,688	5,115
Statutory and other liabilities	1,348	1,415
Security Deposits	201	200
Advances from customers and others	258	80
Unclaimed Dividend (ref note (a) below)	129	99
Advance Rent	-	172
	8,993	8,671
	27,703	23,816
(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 (ref note No 31)		
Employees' retirement and other long term benefits	1,636	1,708
Employees' retirement benefits - Pension	16	22
Other Provisions		
Proposed dividend	8,061	6,679
Tax on proposed dividend	1,370	1,083
Provision for sales returns (ref note no. 34)	1,840	1,203
Other Provisions (ref note no. 34)	2,912	4,152
	15,835	14,847

Notes forming part of the Financial Statements

for the year ended December 31, 2013

9. FIXED ASSETS

(Rupees in Lacs)

	GROSS BLOCKS AS AT			DEPRECIATION/ AMORTISATION			NET BLOCK AS AT	
	As at 01.01.2013	Additions	Deductions	As at 01.01.2013	For the Year	Deductions	As at 31.12.2013	31.12.2013 31.12.2012
Intangible Assets								
Goodwill (1)	12,529	-	-	1,462	1,254	-	2,716	11,067
Brand (1)	40,711	-	-	4,749	4,071	-	8,820	35,962
Software (2)	738	-	4	726	9	4	731	12
Marketing and technical rights for formulations	2,004	-	-	2,004	-	-	2,004	-
Technical know-how (3)	5,079	302	-	1,609	1,024	-	2,633	3,470
Sub Total (A)	61,061	302	4	10,550	6,358	4	16,904	50,511
Previous Year	60,940	121	-	3,980	6,570	-	10,550	50,511
Tangible Assets								
Freehold Land	348	-	-	-	-	-	-	348
Leasehold Land	528	100	-	86	6	-	92	442
Buildings (4) and (5)	12,043	1,937	-	5,020	516	-	5,536	7,023
Leasehold Improvement	281	129	10	190	86	9	267	91
Plant & Machinery	23,119	6,035	363	12,820	1,903	332	14,391	10,299
Furniture & Fixtures	1,153	205	67	666	112	51	727	487
Office Equipment	613	62	-	448	-	-	448	165
Computers	2,210	508	54	1,678	317	53	1,942	532
Motor Vehicles	82	-	-	44	12	-	56	38
Sub Total (B)	40,377	8,976	494	20,952	2,952	445	23,459	19,425
Previous Year	35,854	5,229	706	19,115	2,501	664	20,952	19,425
Total (A+B)	101,438	9,278	498	31,502	9,310	449	40,363	69,936
Previous Year Total	96,794	5,350	706	23,095	9,071	664	31,502	69,936

Notes:

- 1) Remaining amortisation period upto 94 months.
- 2) Remaining amortisation period upto 10 months.
- 3) Remaining amortisation period from 3 months to 34 months.
- 4) Buildings include investments representing ownership of Office premises and Residential flats in co-operative societies.
- 5) Buildings include buildings given on operating lease (refer note 33).



Notes forming part of the Financial Statements

for the year ended December 31, 2013

	December 31, 2013 Rupees in Lacs	December 31, 2012 Rupees in Lacs
10. NON CURRENT INVESTMENTS		
UNQUOTED EQUITY INSTRUMENTS		
Trade Investments		
(i) Bharuch Enviro Infrastructure Limited 2,188 (2012: 2,188) Equity shares of Rs.10 /- each fully paid up.	*	*
(ii) Bharuch Eco-Acqua Infrastructure Limited 236,000 (2012: 236,000) Equity shares of Rs.10/- each fully paid up.	24	24
	24	24
* denotes figure less than a lac		
QUOTED		
Other Than Trade (Ref Note 43)		
(i) United Breweries (Holdings) Limited Nil (2012:99,636) Equity shares of Rs.10/- each fully paid up.	-	8
(ii) United Breweries Limited Nil (2012: 332,120) Equity shares of Rs.1/- each fully paid up.	-	4
	-	12
Aggregate market value of quoted investment Rs. Nil (2012: Rs. 3,208 Lacs)		
	24	36
11. LONG TERM LOANS AND ADVANCES		
Unsecured, considered good unless stated otherwise		
Employee loans and advances	588	575
Loans and advances to related parties (ref Note 30)		
Inter Corporate Loan (Secured)	2,300	-
Tender Security Deposits		
Unsecured, considered good	112	110
Unsecured, considered doubtful	116	101
	228	211
Less : Provision for Doubtful security deposits	(116)	(101)
	112	110
Advance tax (net of provision)	1,842	2,784
Capital Advances	262	1,110
Deposits Others	1,055	1,239
	6,159	5,818

Notes forming part of the Financial Statements

for the year ended December 31, 2013

	December 31, 2013 Rupees in Lacs	December 31, 2012 Rupees in Lacs
12. OTHER NON CURRENT ASSETS		
Margin Money Deposits (Ref Note 15)	107	129
	107	129
13. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)		
Raw Materials and packing materials (Including in transit Rs. 4,038 Lacs; 2012: Rs. 1,392 Lacs)	16,786	10,978
Work-in-progress	3,268	2,908
Finished goods / Traded goods (Including in transit Rs. 856 Lacs; 2012: Rs. 670 Lacs)	13,946	13,359
	34,000	27,245
Details of Work-in-progress		
Formulations	3,268	2,908
Details of Finished goods/Traded goods (refer note 22)		
Formulations	13,946	13,359
14. TRADE RECEIVABLES		
Unsecured, considered good unless stated otherwise		
Outstanding over six months		
Considered - good	508	379
- doubtful	195	187
	703	566
Others		
Considered - good	11,323	9,511
- doubtful	-	-
	11,323	9,511
	12,026	10,077
Less : Provision for doubtful debts	195	187
	11,831	9,890

Notes forming part of the Financial Statements

for the year ended December 31, 2013

	December 31, 2013 Rupees in Lacs	December 31, 2012 Rupees in Lacs
15. CASH AND BANK BALANCES		
Cash on hand	2	2
<u>With scheduled banks in</u>		
Current accounts	2,829	6,534
Bank Deposit with original maturity of less than three months	23,150	36,250
Unpaid dividend accounts	129	99
	26,110	42,885
<u>Other Bank Balances</u>		
Margin money deposits	437	264
Less : Amount disclosed under non current assets (Ref note 12)	(107)	(129)
	330	135
	26,440	43,020
Margin money deposit given as security		
Margin money deposit with carrying amount of Rs. 437 lacs (2012 : Rs. 264 lacs) are subject to first charge to secure bank guarantees issued by bank on our behalf.		
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	218	130
Loans and advances to related parties (ref note 30)		
Advances recoverable in cash or in kind or for value to be received	215	247
Inter Corporate Loan (Secured)	19,500	-
Other Loans and Advances		
Employee loans and advances		
Unsecured, considered good	304	175
Unsecured, considered doubtful	19	19
	323	194
Less: Provision for doubtful advances	(19)	(19)
	304	175
Prepaid Expenses	488	302
Balances with Statutory Authorities	552	954
VAT/Service credit (input) receivable	150	217
Interest Accrued on Fixed Deposits	18	33
Advance payment to Suppliers	467	242
	21,912	2,300

Loans and Advances in nature of loan given to Shantha Biotechnics Limited, a company in which directors are interested;

Inter Corporate loan balance as at December 31, 2013 - Rs. 19,500 Lacs (2012 - Nil)

Maximum balance outstanding during the year - Rs 20,500 Lacs (2012 - 7,900 Lacs)

The same is payable within 12 months

Notes forming part of the Financial Statements

for the year ended December 31, 2013

	Notes	December 31, 2013 Rupees in Lacs	December 31, 2012 Rupees in Lacs
17. OTHER CURRENT ASSETS			
Finished goods - Sample inventory		459	410
Rent Receivable		72	-
		531	410
18. REVENUE FROM OPERATIONS (NET)			
Sale of Products (gross)		175,245	153,363
Less: Excise Duty (Refer Note (a) below)		4,599	3,978
Sale of Products (net)	18(a)	170,646	149,385
Sale of Services	18(b)	9,071	6,996
Other operating income	18(c)	1,169	923
Revenue from operations		180,886	157,304
(a) Excise duty on sales amounting to Rs. 4,599 Lacs (2012: Rs. 3,978 Lacs) has been reduced from sales in statement of profit & loss and increase of excise duty on inventory, sample etc. amounting to Rs. 160 Lacs (2012: Rs. 309 Lacs) has been considered as expense in Note 24 of financial statements.			
18(a) Details of Products sold			
Formulations		170,437	149,151
Bulk Drugs		209	234
		170,646	149,385
18(b) Details of Services rendered			
Business Auxiliary Services		9,071	6,996
		9,071	6,996
18(c) Other Operating Income			
Sale of Scrap		87	59
Export Incentives		666	331
Indirect taxes set off/ refunds		386	519
Others		30	14
		1,169	923



Notes forming part of the Financial Statements

for the year ended December 31, 2013

	December 31, 2013 Rupees in Lacs	December 31, 2012 Rupees in Lacs
19. OTHER INCOME		
Interest		
Bank deposits	1,701	2,040
Inter corporate deposits	1,266	625
Others (Includes interest on income tax refunds, employee loans, etc)	322	180
Rent	1,092	1,026
Exchange difference (net)	681	103
Provision for doubtful debts written back (net)	627	3
Miscellaneous Income	95	136
Dividend income on investments	2	4
	5,786	4,117
20. COST OF MATERIAL CONSUMED		
Inventory at the beginning of the year	10,978	10,053
Add: Purchases	69,621	56,836
Less: Inventory at the end of the year	16,786	10,978
Cost of Material Consumed	63,813	55,911
Details of Material Consumed		
Active Pharma Ingredients	55,180	47,957
Packing Materials	8,633	7,954
	63,813	55,911
Details of Inventory at the end of the year		
Active Pharma Ingredients	15,195	9,559
Packing Materials	1,591	1,419
	16,786	10,978

Notes forming part of the Financial Statements

for the year ended December 31, 2013

	December 31, 2013 Rupees in Lacs	December 31, 2012 Rupees in Lacs
21. PURCHASE OF TRADED GOODS		
Purchase of Traded Goods	19,077	18,531
	19,077	18,531
Details of Purchase of Traded Goods		
Formulations	19,077	18,531
	19,077	18,531
22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND TRADED GOODS		
<u>Inventory at the beginning of the year</u>		
Traded Goods	7,214	6,336
Work-in-progress	2,908	2,792
Finished Goods	6,145	6,246
	16,267	15,374
<u>Inventory at the end of the year</u>		
Traded Goods	8,688	7,214
Work-in-progress	3,268	2,908
Finished Goods	5,258	6,145
	17,214	16,267
(Increase) in Inventory	(947)	(893)
23. EMPLOYEE BENEFITS EXPENSES		
Salaries, wages and bonus	21,471	19,185
Contribution to provident fund / other funds (refer note 31)	1,292	983
Staff welfare expenses	1,450	1,210
	24,213	21,378

Notes forming part of the Financial Statements

for the year ended December 31, 2013

	December 31, 2013 Rupees in Lacs	December 31, 2012 Rupees in Lacs
24. OTHER EXPENSES		
Advertisement and sales promotion	9,457	9,293
Travelling and conveyance	6,033	5,842
Selling and distribution expenses	8,667	6,899
Power and fuel	4,183	3,415
Toll Manufacturing Charges	2,906	2,925
Decrease of excise duty on inventory	160	309
Legal and professional fees	974	997
Training & meetings	1,567	1,355
Repairs - building	73	92
- plant and machinery	669	506
- others	1,040	841
Insurance	575	585
Rent	1,709	1,404
Auxiliary and other materials	863	750
Rates and taxes	765	902
Stores and spares	278	270
Provision for doubtful debts and advance (net)	22	-
Loss on disposal of fixed assets (net)	24	7
Auditors remuneration (Including Service Tax)		
Audit fees	55	52
Tax audit fees	4	4
Certifications	6	5
Out of pocket expenses	1	1
Donations (other than political parties)	47	15
Others	2,677	3,030
	42,755	39,499
Less: Reimbursement of expenses*	7,815	8,303
	34,940	31,196

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

Notes forming part of the Financial Statements

for the year ended December 31, 2013

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, 2013 and the provision based on the profit for the remaining nine months up to December 31, 2013, the ultimate liability of which will be determined on the basis of the profit for the tax year April 1, 2013 to March 31, 2014.
26. Balance with customs and excise authorities includes excise and cenvat deposit Rs.293 Lacs (2012: Rs. 230 Lacs) with toll manufacturers.
27. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 14,844 Lacs (2012: Rs. 2,388 Lacs).

28. Contingent Liabilities and commitments:

	Dec 2013 Rupees Lacs	Dec 2012 Rupees Lacs
Tax demands in respect of which*		
➤ Tax authorities have appealed against Income tax orders which were ruled in favour of the Company	6,162	6,162
➤ Company's appeals are pending before appropriate authorities/ the Company is in process of filing an appeal with appropriate authorities	8,613	5,782

* 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. All the business assets of the Company are situated in India except assets which are directly identifiable.

(Rupees Lacs)

Particulars	Dec 2013			Dec 2012		
	India	Outside India	Total	India	Outside India	Total
Revenues (Net)	136,085	44,801	180,886	131,189	26,115	157,304
Carrying amount of segment assets*	129,129	7,876	137,005	118,774	4,892	123,666
Capital expenditure for the year	18,547	–	18,547	7,410	–	7,410

*Segment Assets includes the following

(Rupees Lacs)

Particulars	Dec-13	Dec-12
Fixed Assets		
i) Tangible Assets	25,400	19,425
ii) Intangible Assets	44,455	50,511
iii) Capital work in progress		
Tangible Assets	13,455	4,063
Intangible Assets	164	284
Loans and Advances (Long term & short term)	4,517	5,431
Inventories	34,459	27,655
Trade receivables	11,831	9,890
Cash & Bank Balances	2,724	6,407
Total	137,005	123,666

30. Related parties

i. Parties where control exists:

- Hoechst GmbH, Germany, holding Company (holds 60.38% of the equity share capital as at December 31, 2013)
- Sanofi S.A., France, ultimate holding Company

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

a) Fellow subsidiaries

Aventis Pharma Limited. UK	Sanofi-aventis (Malaysia) SDN. BHD
Francopia S.A.R.L.	Sanofi-Aventis (Thailand) Limited
Genzyme India Private Limited	sanofi-aventis Bangladesh Limited
PT Aventis Pharma	Sanofi-Aventis Deutschland GmbH
Sanofi Aventis Ilaclari Ltd. Sirketi	Sanofi-Aventis Egypt SAE
Sanofi Chimie S.A	Sanofi-Aventis Groupe S.A.
Sanofi Pasteur India Pvt. Limited	sanofi-aventis Lanka Limited
Sanofi Winthrop Industrie S.A.	sanofi-aventis Pakistan limited
Sanofi-Aventis Recherche et Développement S.A.	Sanofi-Aventis Singapore Pte. Limited
Sanofi-Aventis Spa	Sanofi-Aventis Taiwan Co. Limited
sanofi-aventis U.S.Inc.	Sanofi-Synthelabo (India) Limited
Shantha Biotechnics Limited	Zentiva S.A

b) Key management personnel of the Company for the year

Name	Category of Directorship
Dr. Shailesh Ayyangar	Managing Director
Mr. Madhusudan Garimela Rao	Executive Director
Mr. Susheel Umesh	Executive Director till 31st January 2013
Ms. Joanna Potts	Executive Director from 1st May 2013 to 10th September 2013 and 9th October 2013 to 31st December 2013
Ms. Virginie Boucinha	Executive Director from 25th July 2012
Mr. Michel Dargentolle	Executive Director from 01st January 2012 to 30th June 2012

c) Transactions during the year:

(Rupees Lacs)

Particulars	Dec 13	Dec 12
Holding Company		
Dividend		
Sanofi S.A.	2	2
Hoechst GmbH	5,423	4,588
Payment of Common shared expenses		
Sanofi S.A.	–	28
Recovery of Expenses		
Sanofi S.A.	47	–
Fellow subsidiaries		
Sale of Raw Material and Finished Goods		
Sanofi-Aventis Singapore Pte. Limited	39,351	21,254
Others	3,699	3,585
Total	43,050	24,839
Purchase of Raw Material and Finished Goods		
Sanofi Winthrop Industrie S.A	4,088	4,714
Sanofi-Aventis Singapore Pte. Limited	38,478	29,216
Others	5,892	3,818
Total	48,458	37,748
Purchase of Fixed Assets		
Genzyme India Private Limited	–	5
Recovery of expenses		
Sanofi-Aventis Singapore Pte. Limited	6,580	7,017
Others	204	56
Total	6,784	7,073
Income from Service rendered		
Sanofi-Synthelabo (India) Limited	7,632	5,631
Sanofi Pasteur India Private Limited	1,167	971
Others	300	490
Total	9,099	7,092
Rent Income		
Sanofi-Synthelabo (India) Limited	8	8
Refund of Inter Corporate Loan given		
Shantha Biotechnics Limited	11,000	7,900
Inter Corporate Loan given		
Shantha Biotechnics Limited	30,500	4,500
Sanofi Pasteur India Private Limited	2,300	–
Interest income (others) on loan/inter Company deposits given		
Shantha Biotechnics Limited	1,008	180
Sanofi Pasteur India Private Limited	177	–

Payment of Common shared expenses		
Sanofi-Aventis Groupe S.A	54	55
Sanofi-Aventis Singapore Pte. Limited	35	52
Sanofi-Synthelabo (India) Limited	95	72
Sanofi Pasteur India Private Limited	–	95
sanofi-aventis Lanka Limited	63	76
Others	208	189
Total	455	539
Payment towards Intangibles under development		
Sanofi-Synthelabo (India) Limited	82	130
Key Management Personnel		
Remuneration		
Dr. Shailesh Ayyangar	115	106
Mr. Madhusudan Garimela Rao	110	101
Ms. Joanna Potts	43	–
Mr. Michel Dargentolle	–	21
Mr. Susheel Umesh	9	58
Ms. Virginie Boucinha	176	80
Total	453	366

d) **Outstanding as at December 31, 2013**

(Rupees Lacs)

Particulars	Dec-13	Dec-12
Holding Company		
Sanofi S.A. (Payable)	–	29
Sanofi S.A. (Receivable)	47	–
Fellow Subsidiaries		
Trade Receivables		
Sanofi-Aventis Singapore Pte. Limited	5,575	3,176
sanofi-aventis Lanka Limited	645	503
Others	671	366
Total	6,891	4,045
Other Receivables		
Sanofi-Synthelabo (India) Limited	992	554
Sanofi-Aventis Singapore Pte. Limited	607	639
Others	218	145
Total	1,817	1,338
Trade Payables		
Sanofi Winthrop Industrie S.A.	1,033	581
Sanofi-Aventis Singapore Pte. Limited	6,375	3,516
Sanofi-Aventis Spa	334	623
Others	965	897
Total	8,707	5,617
Inter Corporate Loan Balance		
Shantha Biotechnics Limited	19,500	–
Sanofi Pasteur India Private Limited	2,300	–
Total	21,800	–

31. Employee Benefits

A) Defined Contribution Plans

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

Particulars	Dec 13 Rupees Lacs	Dec 12 Rupees Lacs
i) Contribution to Employees' Provident Fund (Ankleshwar and Nepal)	28	23
ii) Contribution to Employees' Superannuation Fund	98	94
iii) Contribution to Employee's Pension Scheme, 1995	203	189

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 13	Dec 12	Dec 13	Dec 12	Dec 13	Dec 12
(a) Discount Rate (per annum)	9.00%	8.50%	9.00%	8.50%	9.00%	8.50%
(b) Expected Rate of Return on Plan Assets	9.00%	8.50%	9.00%	8.50%	9.00%	8.00%
(c) Salary Escalation rate#	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
(d) Mortality	LIC- Ultimate 94-96	LIC- Ultimate 94-96	LIC- Ultimate 94-96	LIC- Ultimate 94-96	NA*	NA*
(e) Employees' turnover	Age related	Age related	Age related	Age related	Age related	Age related

*NA - Not Applicable

#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 Lacs)

Particulars	Gratuity		Pension Plan		Provident Fund	
	Dec 13	Dec 12	Dec 13	Dec 12	Dec 13	Dec 12
Liability at the beginning of the period	3,233	2,819	145	168	12,768	11,981
Interest Cost	274	246	12	14	1,134	759
Current Service Cost	230	214	2	2	652	569
Employees Contribution	-	-	-	-	1,109	978
Interest Guarantee	-	-	-	-	-	120
Benefits Paid	(219)	(254)	(26)	(32)	(930)	(1,327)
Transfer from previous employer's	-	-	-	-	-	-
Liability Transfer In	-	75	-	-	222	155
Liability Transfer Out	-	-	-	-	-	-
Provision for diminution in fair value of Plan assets	-	-	-	-	-	-
Actuarial (gain)/loss on Obligations	231	133	(43)	(7)	(193)	(467)
Liability at the end of the year	3,749	3,233	90	145	14,762	12,768
Funded benefit obligation	3,660	2,937	-	-	14,762	12,574
Non Funded Benefit Obligation	89	296	90	145	-	194

ii) Fair value of Plan Assets

(Rupees Lacs)

Particulars	Gratuity		Pension Plan		Provident Fund	
	Dec 13	Dec 12	Dec 13	Dec 12	Dec 13	Dec 12
Fair Value of Plan Assets at the beginning of the year	2,937	2,774	-	-	12,574	11,483
Expected Return on Plan Assets	250	237	-	-	1,134	716
Interest Shortfall paid by the Company	-	-	-	-	-	-
Employer's Contributions	651	173	26	32	652	569
Employees Contribution	-	-	-	-	1,109	978
Benefits Paid	(219)	(253)	(26)	(32)	(930)	(1,327)
Transfer from Other Approved Funds	-	-	-	-	223	155
Provision for diminution in fair value of Plan assets	-	-	-	-	-	-
Actuarial gain/(loss) on Plan Assets	41	6	-	-	-	-
Fair Value of Plan Assets at the end of the year	3,660	2,937	-	-	14,762	12,574
Contributions expected to be paid to the Plan in 2014	308	254				

iii) Actual Return on Plan Assets

(Rupees Lacs)

Particulars	Gratuity		Pension Plan		Provident Fund	
	Dec 13	Dec 12	Dec 13	Dec 12	Dec 13	Dec 12
Expected Return on Plan Assets	250	237	–	–	1,134	716
Actuarial gain/(loss) on Plan Assets	41	6	–	–	–	–
Actual Return on Plan Assets	291	243	–	–	1,134	716

iv) Amount Recognised in the Balance Sheet

(Rupees Lacs)

Particulars	Gratuity		Pension Plan		Provident Fund	
	Dec 13	Dec 12	Dec 13	Dec 12	Dec 13	Dec 12
Liability at the end of the year	3,749	3,233	90	145	14,762	12,768
Fair Value of Plan Assets at the end of the year	3,660	2,937	–	–	14,762	12,574
Difference	89	296	90	145	–	194
Amount Recognised in the Balance Sheet	89	296	90	145	–	194

v) Expenses Recognised in the Income Statement

(Rupees Lacs)

Particulars	Gratuity		Pension Plan		Provident Fund	
	Dec 13	Dec 12	Dec 13	Dec 12	Dec 13	Dec 12
Current Service Cost	230	246	2	2	652	569
Interest Cost	274	214	12	14	1,134	759
Expected Return on Plan Assets	(250)	(237)	–	–	(1,134)	(716)
Interest Guarantee	–	–	–	–	–	120
Net Actuarial (Gain)/Loss to be Recognised	190	127	(43)	(7)	(193)	(467)
Expense Recognised in Profit and Loss under personnel expenses	444	350	(29)	9	459	265

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

(Rupees Lacs)

Particulars	Gratuity					Pension Plan					Provident Fund				
	Dec 13	Dec 12	Dec 11	Dec 10	Dec 09	Dec 13	Dec 12	Dec 11	Dec 10	Dec 09	Dec 13	Dec 12	Dec 11	Dec 10	Dec 09
Defined Benefit Obligation	3,749	3,233	2,818	2,744	2,477	90	145	168	163	179	14,762	12,768	11,983	10,381	9,101
Plan assets	3,660	2,937	2,773	2,033	1,639	-	-	-	-	-	14,762	12,574	11,484	10,006	8,853
Surplus/ (deficit)	89	296	45	711	839	90	145	168	163	179	-	194	499	375	248
Experience adjustment on benefit obligation															
Net Actuarial (Gain)/Loss due to Experience	231	133	(77)	116	273	-	(7)	18	(9)	(29)	(193)	(467)	125	66	(116)
Net Actuarial (Gain)/Loss due to Change in Assumption	-	-	-	-	12	-	-	-	-	1	-	-	-	-	-
Experience adjustment on Plan Assets															
Net Actuarial Gain/(Loss) due to Experience	41	6	56	37	-	-	-	-	-	-	-	-	-	-	-
Net Actuarial (Gain)/Loss due to Change in Assumption	-	-	-	-	(2)	-	-	-	-	-	-	-	-	-	-

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 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 13	Dec 12	Dec 13	Dec 12
Government of India securities	–	–	22%	20%
Bonds	–	–	38%	45%
Special Deposit Scheme, 1975	–	–	34%	30%
Other assets	–	–	6%	5%
Administered by Life Insurance Corporation of India	100%	100%	–	–
	100%	100%	100%	100%

32. Earnings per share:

Particulars	Dec 13	Dec 12
Numerator used for calculating basic and diluted earnings per share - profit after taxation and before exceptional item (Rs. in Lacs)	23,980	17,666
Numerator used for calculating basic and diluted earnings per share - profit after taxation after exceptional item (Rs. in Lacs)	26,518	17,666
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)	104.12	76.71
Computed on the basis of earnings after exceptional items divided by weighted average number of shares (Rupees)	115.14	76.71

33. Operating leases:

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

Where Company is the lessee:

(Rupees Lacs)

Particulars	Dec 13	Dec 12
Charged to Statement of profit and loss *	49	77
Not later than one year	36	52
Later than one year but not later than five years	40	82

*Cars are obtained on operating lease. The lease is for a period of five years for cars and one to three years for premises and there is no provision for renewal. There is no escalation clause in the lease agreement. 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 lacs)

Particulars	Dec 13	Dec 12
Car Lease Charges**	210	187
Premises Lease Charges**	1,291	1,001
Total	1,501	1,188

** 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 lacs)

Particulars	Dec 13	Dec 12
Credited to Statement of profit and loss #	1,092	1,025
Not later than one year	1,003	697
Later than one year but not later than five years	422	967

Uncollectible minimum lease payments receivable at the balance sheet date Rs. Nil (2012: Rs. Nil)

#The Company has leased out building on operating lease. The lease term is for a period ranging from 12-60 months.

Details in respect of assets given on operating lease:

(Rupees lacs)

Particulars	Dec 13	Dec 12
Gross carrying amount of buildings	1,963	1,963
Accumulated depreciation on cost and re-valued amount	1,143	1,077
Depreciation recognised in statement of profit and loss	66	66
Less: Transferred from revaluation reserve	63	63
Net depreciation as per Statement of profit and loss	3	3

In respect of cancellable operating leases, lease income is credited to Statement of profit and loss

34. Other provisions:

Movements in provisions:

(Rupees Lacs)

	Class of provisions			Total
	Indirect tax	Provision for Sales Returns	Others	
Balance as at January 1, 2013	856 (700)	2,707 (2,186)	3,296 (3,176)	6,859 (6,062)
Amount provided during the year	– (156)	4,118 (2,532)	41 (120)	4,159 (2,808)
Amount written back/paid during the year	– (–)	2,685 (2,011)	1,281 (–)	3,966 (2,011)
Balance as at December 31, 2013	856 (856)	4,140 (2,707)	2,056 (3,296)	7,052 (6,859)

Note: Figures in brackets are for the previous year.

- 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.
- Provision for sales returns are on account of expected date expiry and breakages returns based on historical trends
- 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 un-hedged Foreign Currency exposure as at Balance sheet date

Particulars	Foreign currency	Dec 13		Dec 12	
		Foreign currency Value	(Rupees in Lacs)	Foreign currency Value	(Rupees in Lacs)
Trade Payables	EUR	5,980,872	5,106	5,265,847	3,821
	JPY	–	–	267,500	2
	USD	580,624	359	403,471	222
	GBP	2,588	3	–	–
	NPR	57,578	*	–	–
	AED	384	*	–	–
Short term loans and advances	NPR	–	–	44,616	*
Trade Receivables	EUR	8,225,194	7,022	5,801,594	4,210
	USD	1,380,790	855	1,241,680	683
Cash and Bank Balances	EUR	250,550	214	17,402	13

* denotes less than a lac



36. Micro and Small Enterprises

Details of dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprise Development Act, 2006	(Rupees Lacs)	
	Dec 13	Dec 12
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
Principal Amount	44	38
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	-	-
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.	-	-
Amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
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		

37. Value of imports on CIF basis:

(Rupees Lacs)

Particulars	Dec 13	Dec 12
Raw and packing materials	21,559	19,245
Components, spares and auxiliary	58	21
Capital goods	1,314	877
Finished goods	31,260	23,113

38. Expenditure in foreign currency (on accrual basis)

(Rupees Lacs)

Particulars	Dec 13	Dec 12
Commission	85	61
Traveling and conveyance	206	269
Telecommunication Charges (included in Others of note 24)	263	189
Legal and professional fees	13	27
Others	267	261

39. Earnings in foreign exchange (on accrual basis):

(Rupees Lacs)

Particulars	Dec 13	Dec 12
FOB value of exports	41,517	24,467
Income from services rendered	300	491
Reimbursement of expenses & Market Support	6,831	7,075
	48,648	32,033

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

(Rupees Lacs)

	Dec 13	%	Dec 12	%
Raw Materials and packing materials:				
Indigenous	24,514	38	18,551	33
Imported	39,299	62	37,360	67
Sub Total	63,813	100	55,911	100
Spare parts and components:				
Indigenous	265	95	261	97
Imported	13	5	9	3
Sub Total	278	100	270	100
Total	64,091		56,181	

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. 312 lacs in 1988 being the liability determined by the Special Team appointed by the Government. However, during 1990, fresh demands aggregating to Rs. 7,810 lacs 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.795 lacs 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. Dividend remittances in foreign currency:

(Rupees Lacs)

	Dec 13	Dec 12
Dividend remitted in foreign currency		
Final for year 2011	–	4,034
Interim for the year 2012	–	556
Final for year 2012	4,034	–
Interim for the year 2013	1,391	–
Number of non-resident shareholders	2	2
Number of shares held	13,909,587	13,909,587

All remittances are made in EURO.



43. The exceptional item pertains to profit earned on sale of "other than trade Investments".
44. Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

Signatures to Notes 1 to 44

As per our report of even date

For S. R. Batliboi & Co. LLP
ICAI Firm Registration No : 301003E
Chartered Accountants

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

Mumbai : February 25, 2014

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

Dr. Vijay Mallya	Chairman
Dr. S. Ayyangar	Managing Director
Virginie Boucinha	Director
S. R. Gupte	Director
Rangaswamy R. Iyer	Director
A. K. R. Nedungadi	Director
M. G. Rao	Director
K. Subramani	Company Secretary

Mumbai : February 25, 2014

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Company Identification Number (CIN): L24239MH1956PLC0009794
Balance Sheet Date 31.12.2013

State Code 11

II. Capital Raised during the year (Amount in Rs. Lacs)

<u>Public Issue</u>	<u>Rights Issue</u>
Nil	Nil
<u>Bonus Issue</u>	<u>Private Placement</u>
Nil	Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Lacs)

	<u>Total Liabilities</u>	<u>Total Assets</u>
	184,479	184,479
Sources of Funds		
	<u>Paid-up Capital</u>	<u>Reserves & Surplus</u>
	2,303	132,367
	<u>Secured Loans</u>	<u>Unsecured Loans</u>
	Nil	Nil
Application of Funds		
	<u>Net Fixed Assets</u>	<u>Investments</u>
	83,475	24
	<u>Net Current Assets and Other Assets</u>	<u>Misc. Expenditure</u>
	51,171	Nil
Accumulated Losses	Nil	

IV. Performance of company (Amount in Rs. Lacs)

<u>Turnover*</u>	<u>Total Expenditure</u>
186,672	150,364
* Includes Other Income	
<u>Profit/Loss before Tax</u>	<u>Profit/Loss After Tax and Exceptional items</u>
36,308	26,518
<u>Earnings per Share in Rs.</u>	<u>Dividend Rate %</u>
115.14	450

V. Generic Names of Three Principal Products/Services of company (as per monetary terms)

Item Code No. (ITC Code)	: 3004 90 71
Product Description	: RAMIPRIL TABLETS
Item Code No. (ITC Code)	: 3004 31 10
Product Description	: INSULIN GLARGINE
Item Code No. (ITC Code)	: 2935 00 90
Product Description	: GLIMEPIRIDE



2013 ANNUAL REPORT

ANNEXE TO THE REPORT OF THE DIRECTORS

Statement pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 for the year ended December 31, 2013 and forming part of the Directors' Report for the said financial year.

A. Employed throughout the year under review and were in receipt of remuneration in aggregate of not less than Rs. 6,000,000

Name	Age (Years)	Qualifications	Designation	Date of commencement of employment	Experience (Years)	Gross Remuneration (Rs.)	Particulars of last employment
Dr. Ayyangar Shailesh	59	B.V.Fc & A.H., P.G.D.M. IIM (Ahmedabad)	Managing Director	25-10-2005	34	10,988,738	Wholetime Director, Sanofi-Synthelabo (India) Limited
Ms. Cama Yasmin J	59	B.A. , L.L.B. , L.L.M.	Senior Director - Legal Affairs	16-09-1985	34	7,802,121	Advocate Assistant - Legal, M/S Crawford Bayley & Co.
Dr. Chopra Pravin	57	M.B.B.S., M.D.(Pharmacology)	Senior Director - Medical and Regulatory Affairs	08-07-2011	28	10,429,439	Head - Medical Affairs, Primary Care, Emerging Markets, Pfizer Inc., USA
Mr. Chowdhury Anindya	44	P.G.D.M., B.E.T.C.E	Senior Director - Consumer Healthcare BU	08-11-2011	20	7,657,161	Senior Director , Dr Reddy's Laboratories Ltd.
Mr. Rao Madhusudan	63	M.Sc. (Organic Chemistry), D.B.M.	Senior Director - Industrial Affairs, India	20-06-1973	40	10,585,757	First Employment
Ms. Virginie Boucinha	44	MBA (Ecole Superieure de Gestion, Paris)	Chief Financial Officer	01-07-2012	22	16,027,715	Associate VP Organizational Effectiveness, Corporate Finance, Sanofi
Mr. Wadhawan Lalit	60	B.Sc. Diploma in Marketing	Senior Director - Nutraceuticals BU	17-03-2006	39	6,763,139	Glaxo Laboratories India Limited

B. Employed for part of the year under review and were in receipt of remuneration in aggregate of not less than Rs. 500,000 per month

Name	Age (Years)	Qualifications	Designation	Date of Commencement of employment	Experience (Years)	Gross Remuneration (Rs.)	Particulars of last employment
Mr. Bahadur Gaurav	44	B.Sc., M.P.M.	Senior Director - HR (India & South Asia)	15-04-2013	20	10,096,426	EVP-Human Resources, Firstsource Solutions Ltd.
Mr. Cherian Mathew	49	B. Tech (Hons) Chem.	Senior Director - Industrial Affairs, India	30-03-1993	26	5,797,429	Asst. Project Manager, Ranbaxy Labs Ltd.
Mr. De Sibendu	61	M.Sc., Ph.D.	Head - Health Safety Environment (Goa Site)	30-06-1978	35	3,188,813	First Employment
Mr. Goel Davendrakumar	61	B.V.Sc., MBA	Head - Sri Lanka Operations	19-12-2002	37	3,425,025	Senior Manager - Bulk Drugs, Raw Material & Imports, Glaxo SmithKline (I) Ltd.
Mr. Umesh Susheel	47	B. Pharm, MBA Marketing	Head - Commercial Operations (Pharma)	22-08-1994	23	4,261,155	Product Manager, Rallis India Limited
Mr. Vaishnav Pradeep	57	B.Sc., Masters in Social Work	Senior Director - Human Resources	27-01-2003	32	10,688,282	General Manager - Human Resources (Sales), Aventis Pharma Limited

NOTES :


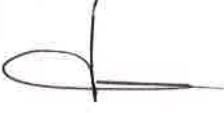


- All appointments are/were contractual
- Remuneration includes salary, bonus, rent/house rent allowance and other allowances, Company's contribution to Provident Fund, Superannuation Fund, leave travel assistance, medical expenses, depreciation of furniture /appliances and perquisite value of car as per Income Tax rules, but excludes Company's contribution to Gratuity Fund.
- Other terms and conditions of employment are as per agreement of service and rules of the Company.
- None of the employees is a relative of any Director of the Company.

By Authority of the Board

DR. VIJAY MALLYA
CHAIRMAN

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	SANOFI INDIA LIMITED
2.	Annual financial statements for the year ended	31 st December 2013
3.	Type of Audit observation	UNQUALIFIED
4.	Frequency of observation	Whether appeared first time / repetitive / since how long period NOT APPLICABLE
5.	Signed by – <ul style="list-style-type: none"> • Dr. S. Ayyangar, Managing Director • Ms. Virginie Boucinha, Chief Financial Officer • Mr. S. R. Gupte, Audit Committee Chairman • Mr. Vijay Maniar, Partner, S.R. BATLIBOI & CO. LLP Auditor of the company 	   

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